

Purchasing Week

McGraw-Hill's National Newspaper of Purchasing

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Vol. 2 No. 40

New York, N. Y., October 5, 1959

\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

Industry Plans to Play It Safe on Inventories

Bradley Sees '60 Rough Year For Military Buying

Los Angeles—"Although 1959 has been a rough year for procurements, 1960 will be even rougher."

With this grim forecast, Air Force Lt. Gen. Mark E. Bradley, Jr., deputy chief of staff—materiel, called on industry to intensify its efforts to cut costs.

Speaking before an overflow crowd of more than 1,000 defense contractors and subcontractors at the Ambassador Hotel's Coconut Grove (Sept. 25), Bradley stressed that costs and the availability of money will be the standout problems facing the Air Force and industry during the coming year.

He accused the defense supporting industry of neglecting its duty to deliver to the Air Force the most defense per dollar spent.

Bradley further decried the fact that industry has been remiss (Turn to page 7, column 1)

N.S.I.A. Course Teaches Government Contracting

Washington—Major defense contractors are out to beef up the savvy of industrial management and procurement directors in the complicated art of government contracting.

The 500-member National Security Industrial Association, in cooperation with Harbridge House, is organizing an extensive program of two-week courses to (Turn to page 25, column 3)

Central Buying Pays Off

Oklahoma City — Oklahoma Secretary of State William N. Christian gave his state's new system of central purchasing a public pat on the back, saying, "it has shown we can save money for the taxpayers."

Christian pointed out his department had cut costs some 50% on recent purchases of notarial bonds and notary public certificates.

Noting that central purchasing had recently obtained 5,000 notarial bonds for \$42.15, Christian said, "We paid \$82.08 for the same kind and quantity on the identical form" earlier this year.

Utility Buyers Gripe But Offer No Cure For Identical Bidding

Knoxville, Tenn.—Utility purchasing officials appearing before the Senate Anti-Monopoly subcommittee last week described a multitude of symptoms but suggested no cure for their major headache—identical bidding on standard items of electrical equipment.

Only one of the many witnesses prodded for three days by Chairman Estes Kefauver (D., Tenn.) and Subcommittee Counsel Paul Rand Dixon, offered any semblance of a recommendation. That was S. R. Finley, general superintendent of the Electric (Turn to page 26, column 1)

Teamster Walkout Could Tighten Up Copper Supplies

New York — Major copper users, using imported copper to stretch dwindling domestic supplies, pulled for peaceful settlement of East and Gulf Coast longshoremen contract negotiations last week.

Even while insisting they were in good shape despite an eight-week shutdown of domestic refineries and mines, copper buyers voiced concern over possible port shutoff of foreign shipments.

The rebellious longshoremen pulled dockworkers out on strike last Thursday and federal mediators strived to restore a proposed two-week extension of the contract.

At the same time, copper contract negotiations, stalled for months, got started again.

Fabricators and other users, meanwhile, refused to panic, confident on the surface at least, (Turn to page 26, column 4)

Fighters of Inflation Seen Shifting Policy As Prices Stabilize

Washington—Some important shifts in emphasis are being adopted by Washington's major inflation fighters this week. The changes developed in the light of newly reinforced convictions of continuing relative over-all price stability.

• Most Washington economists now forecast only a moderate rise in prices next year—somewhere between one and 1½% increase in the consumer price index.

• Though this might still seem like "creeping inflation" to a lot of people, many economists feel, this is keeping things pretty much under control.

Here's what's going on among the various groups most closely (Turn to page 25, column 3)

No Quick Buildup of Inventory Levels Scheduled Immediately After the Steel Strike Is Settled According to the Purchasing Executives Surveyed

New York—Industrial inventory planners say they won't be goaded into a lickity-split buildup in general inventory levels once the steel strike ends.

While buoyed by business experts' glowing predictions of rising production late in 1959 and on into 1960, purchasing executives tell PURCHASING WEEK they expect to play it safe and sane during the next three to six months.

• Nearly three-fourths of the purchasing agents participating in PURCHASING WEEK's quarterly inventory poll said they expect to maintain a "steady" buying pace. The replies were based on assumption the walkout ends by Oct. 15.

• They emphasized that immediate post-strike buying plans will be geared closely to sales-production needs, with days' supply levels remaining constant.

• But come next Jan. 1, general inventory levels will definitely be on the rise. Nearly 30% said their present inventory stocks (other than steel) would not measure up to anticipated needs at the start of the new year.

• The biggest worries ahead are outcome of the strikes in steel and copper, plus concern over how the metals settlements will affect negotiations in cans, aluminum, railroads, and other key industries.

Current effects of the steel strike were a major headache for many of the 600 purchasing executives polled in the survey, especially in the metal-working and other big metal-using industries. But nine months of advance stockpiling clearly have paid off—with 75% stating their firms had experienced little or no major production and inventory difficulties as of late September. But the strain was telling and many listed cutbacks scheduled for "the next couple of weeks."

But 27% said their steel supplies were on the verge of exhaustion or would piddle out sometime during October. Another 21% said (Turn to page 25, column 1)

Steel Producers Vow Fair Sharing Of Early Output When Strike Ends

Pittsburgh—Even if the steel strike ends within the next week or 10 days, it will be weeks, and in some cases months, before the supply crisis ends for many customers.

• Some mills said they could begin small scale shipments within a day or two after production crews move into fire up long-idled furnaces.

• But quantity shipments will be delayed. Customers without stockpiles good for another three or four weeks may still find themselves in serious trouble if they have to wait for mill orders.

• When first supplies begin moving out, certain "hardship" cases can expect priority consideration. Allocation systems will prevail at some points. Other mills will ship on a modified sort of "first come first served" system based on the order that pending orders were received back in the third quarter.

But about the best that can be said is that all producers vow (Turn to page 26, column 3)

Purchasing Perspective

Tax Laws Are the Vogue

State legislatures worked overtime this year writing tax laws. Forty-six states held legislative sessions that at last count had enacted well over 100 major tax measures and revisions for a new post-war high.

Not all this legislation directly affects business practices. But the Tax Foundation estimates that 2,000 or more additional minor changes and technical amendments to tax regulations accompanied the more important revenue-raisers. So it's a good bet many of the changes will show up, in one form or another sooner or later, on purchasing department invoices and corporate tax statements.

The above statistics do not include the multitude of federal tax rulings and changes—including the new 1¢ gasoline levy—that also plague the daily life of a purchasing executive. The combination adds up to fierce complications in the purchasing process.

Thus even the simplest move to acquire machinery and other equipment, basic inventory planning, and other purchases of goods and services require a sure application of timely tax knowledge.

(Turn to page 25, column 1)

P.A. Confabs Stress Action on Labor, Legislation

Tulsa, Okla.—Southwestern purchasing agents are strongly behind a move to make purchasing's voice heard in "the arena of public affairs."

This was the main topic of discussion at the 13th Southwest Purchasing Conference Sept. 24-25. Some 300 delegates attending the two-day meeting indicated full sympathy with the view that establishment of a National Affairs Committee of N.A.P.A. now is a "must."

"It's about time purchasing got into the swing and took a stand on matters of political as well as business and economic importance," declared Frank L. Scott, District 2 vice president and P.A. for the Baker Oil Tools Co., Houston, Tex.

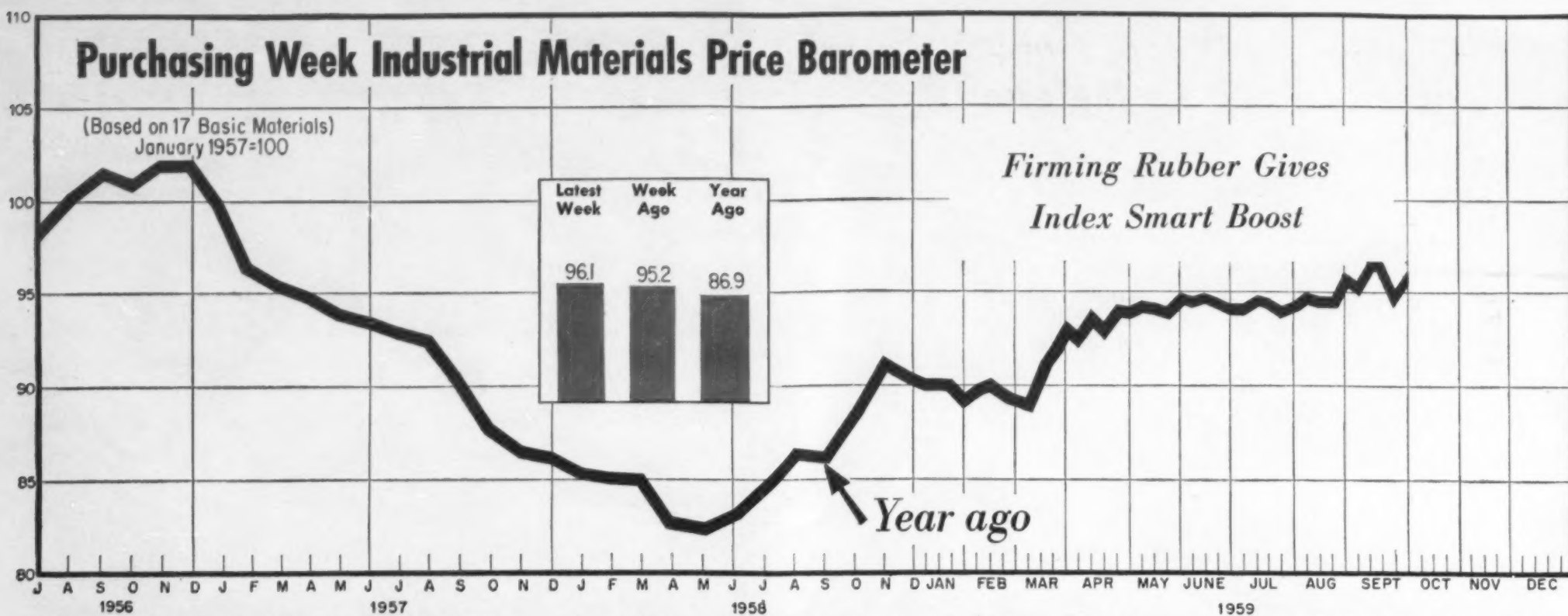
Lynn Baker, purchasing agent for the Boeing Aircraft Division, Wichita, Kan., said purchas- (Turn to page 4, column 3)

Berkeley, Calif.—Some 250 delegates attending the 13th Pacific-Intermountain Purchasing Agents Conference Sept. 25-26 targeted labor as purchasing's largest immediate problem.

The topic rose frequently in both formal and informal discussions, and by the end of the two-day session most delegates could be heard declaring—loudly, clearly, and often words to the following:

"It's about time purchasing agents did something to help solve this quandary."

"We are now beginning to feel the full impact of the steel and copper strikes, and things will get more critical as the days go by," commented C. R. Murray, general conference chairman and assistant general purchasing agent for the South- (Turn to page 4, column 4)



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

flect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's Commodity Prices

	Sept 30	Sept 23	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton	38.00	38.00	43.50	-12.6
Steel scrap, #1 heavy, del. Cleve., gross ton	38.50	38.50	40.00	-3.7
Steel scrap, #1 heavy, del. Chicago, gross ton	42.00	40.00	45.00	-6.7
Aluminum, pig, lb	.247	.247	.247	0
Secondary aluminum, #380 lb	.238	.238	.218	+9.2
Copper, electrolytic, wire bars, refinery, lb	.312	.310	.261	+19.5
Copper scrap, #2, smelters price, lb	.243	.243	.213	+14.1
Lead, common, N.Y., lb	.13	.13	.115	+13.0
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.74	0
Tin, Straits, N.Y., lb	1.028	1.024	.953	+7.9
Zinc, Prime West, East St. Louis, lb	.12	.12	.10	+20.0
FUELS†				
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.29	+3.5
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.50	-14.0
LP-Gas, Propane, Okla. tank cars, gal	.05	.05	.05	0
Gasoline, 91 oct. reg, Chicago, tank car, gal	.118	.12	.115	-2.6
Gasoline, 84 oct. reg, Los Angeles, rack, gal	.112	.112	.11	-1.8
Kerosene, Gulf, Cargoes, gal	.086	.086	.089	-3.4
Heating oil #2, Chicago, bulk, gal	.091	.091	.091	0
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	86.50	86.50	82.50	+4.8
Benzene, petroleum, tanks, Houston, gal	.31	.31	.31	0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y. lb	.193	.188	.155	+24.5
Glycerine, synthetic, tanks, lb	.278	.278	.278	0
Linseed oil, raw, in drums, carlots, lb	.17	.17	.167	+1.8
Phthalic anhydride, tanks, lb	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+7.7
Rosin, W.G. grade, carlots, fob N.Y. cwt	10.90	10.90	9.50	+14.7
Shellac, T.N., N.Y. lb	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.065	.064	.089	-27.0
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.20	17.20	17.00	+1.2
Bond paper, #1 sulfite, water marked 20 lb, carton lots, CWT	25.20	25.20	24.20	+4.1
Chipboard, del. N.Y., carlots, ton	95.00	95.00	100.00	-5.0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.00	9.00	9.00	0
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	6.30	6.30	6.40	-1.6
Old corrugated boxes, dealers, Chicago, ton	21.00	21.00	25.00	-16.0
BUILDING MATERIALS‡				
Cement, Portland, bulk carlots, fob New Orleans, bbl	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl	4.18	4.18	4.14	+1.0
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y., mftbm	125.00	127.00	129.00	-3.1
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago, mftbm	141.00	141.00	131.00	+7.6
Douglas fir lumber, 2x4, s4s, carlots, fob Toronto, mftbm	108.00	108.00	109.00	-.9
TEXTILES				
Burlap, 10 oz, 40", N.Y. yd	.10	.10	.104	-3.9
Cotton, middling, 1", N.Y. lb	.329	.329	.361	-8.9
Printcloth, 39", 80x80, N.Y., spot, yd	.195	.195	.176	+10.8
Rayon twill, 40 1/2", 92 x 62, N.Y., yd.	.255	.26	.22	+15.9
Wool tops, N.Y., lb.	.158	1.605	1.495	+5.7
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.	.255	.255	.162	+57.4
Rubber, #1 std ribbed smoked sheets, N.Y., lb	.445	.405	.302	+47.4

† Source: Petroleum Week ‡ Source: Engineering News-Record

October 5-11

Price Perspective

Producers Still Have Jittery Nerves

Current firming raw material prices haven't dimmed the clamor for world-wide pacts.

Not even general world business strength, plus the temporary dislocations caused by strikes, have calmed jittery producer nerves.

Sellers of copper, lead, zinc, oil, and a host of other key materials would like nothing more than to emulate coffee growers who just concluded an international agreement limiting export sales.

The reason for their anxiety can be summed up in one word—overproduction. Capacity to turn out these materials has simply outpaced the ability of the world to consume them.

The commodity pact question weighs heavily on governments, too. Many of them are almost totally dependent on the sale of raw commodities for their income. Result: They're still pumping for agreements that would keep material quotes in line with prices of the manufactured goods they import.

A more detailed look at recent price trends can tell the story better than a thousand words.

Crude industrial tags, as measured by the Bureau of Labor Statistics, now read 112.0 (1947-'49=100). In other words, these prices have gone up only some 12% over the past decade.

Compare these crude prices to tags on the more complex products turned out by our economy. Intermediate goods (materials, supplies, and components) are up 27% over the same period.

When you reach finished items, the disparity becomes even larger. In the key producer finished goods area, for example, prices are up a sharp 54%.

So, no matter how you look at them, crude industrial materials are the low man on the price totem pole.

Proponents of the commodity pact technique say world agreements are the only way of getting prices back into their proper alignment again.

As of now, with prices relatively firm, they're plugging only for more unofficial international cooperation among material producing nations.

Outright clamor for official price pacts are being temporarily played down while the current boom and strike shortages persist.

But don't expect this to last forever. Comes the next production lull—in about a year or so—and you can look for a revival of pleas for specific written agreements to limit production and thereby control prices.

The just-signed coffee pact gives a good example of how such international agreements work.

The 17-producer-nation accord will control 85% of the coffee flowing to world markets. By setting up export quotas for each country, the coffee producers hope to bring a semblance of stability to the volatile beverage market.

This is similar to the scheme already in effect for tin. Prices and output of this vital metal are controlled by the International Tin Council which sets up export quotas for producer members.

And what works for tin and coffee could very well be applied to the international shipments of other basic raw materials.

It's worthwhile keeping an eye on this trend toward world producer agreements when making your longer-run plans and commitments. It could make quite a difference in your over-all material bills in the early '60's.

Lack of Credit Levels Off Output And Prices of Building Materials

New York—Building material prices, after rising through most of the year, will take a brief respite in the coming months. While there may be some boosts—as in structural steel—they'll tend to be offset by weaker lumber prices.

Construction material output, too, is beginning to level out. However, ample capacity assures speedy delivery in all but strike-affected steel.

Credit—or rather the lack of it—is behind the temporary flattening out of the building material price and production curves (see chart at right). Tighter mortgage credit and higher interest rates have slowed down housing starts and have checked demand for building materials.

Lumber First to Hit Skids

Lumber has been first to feel the change in the basic price trend. Plywood prices, for example, hit a 15-month low of \$68-\$70 last month.

In this case, huge capacity, as well as softer demand, is behind the price decline. The industry has raised capacity some 30% in the past two years. Combined with an easing off of shipments, this new productive capacity has been enough to shake the whole price structure.

Soft wood lumber also is showing some signs of weakness. Shipments for the rest of the year are expected to be somewhat below '58 levels.

Weak in 1960

The current price weakness is expected to continue into 1960. However, it won't be anywhere near so severe as the 1956-'57 slump.

In 1956-'57, fir 2x4 prices tumbled \$12 per Mfbm, according to *Engineering News-Record's* U. S. average of F.O.B. city prices. Pine 2x4's dropped \$5-\$6 per Mfbm.

During the next 15 months, the lumber price slide should be held to only about one-half or less of the drop experienced during 1956-'57.

The price and supply picture for structural steel—another key building material—is somewhat different.

The outcome of this longest post-war steel strike probably will be higher prices at the mill for heavy structural shapes and plates. And prices of standard structurals may also rise, despite some industry talk that competition from lower-priced imported structurals could bring a price cut by year's end.

Odds Against Change

Much greater competitive pressure from reinforcing bar imports, compared to standard structurals, makes for heavier odds in favor of no change in these prices. In fact, the recent industry talk that bar prices might be cut by the end of '59 could come true.

Cement, the last of the "big three" building materials is expected to remain stable through the end of 1959. But it is quite possible that early 1960 will see some price increases posted as current guarantees run out.

There are several factors that might lead to such a boost. First, and probably most important, is the fact that production costs

have been rising for the industry as a whole.

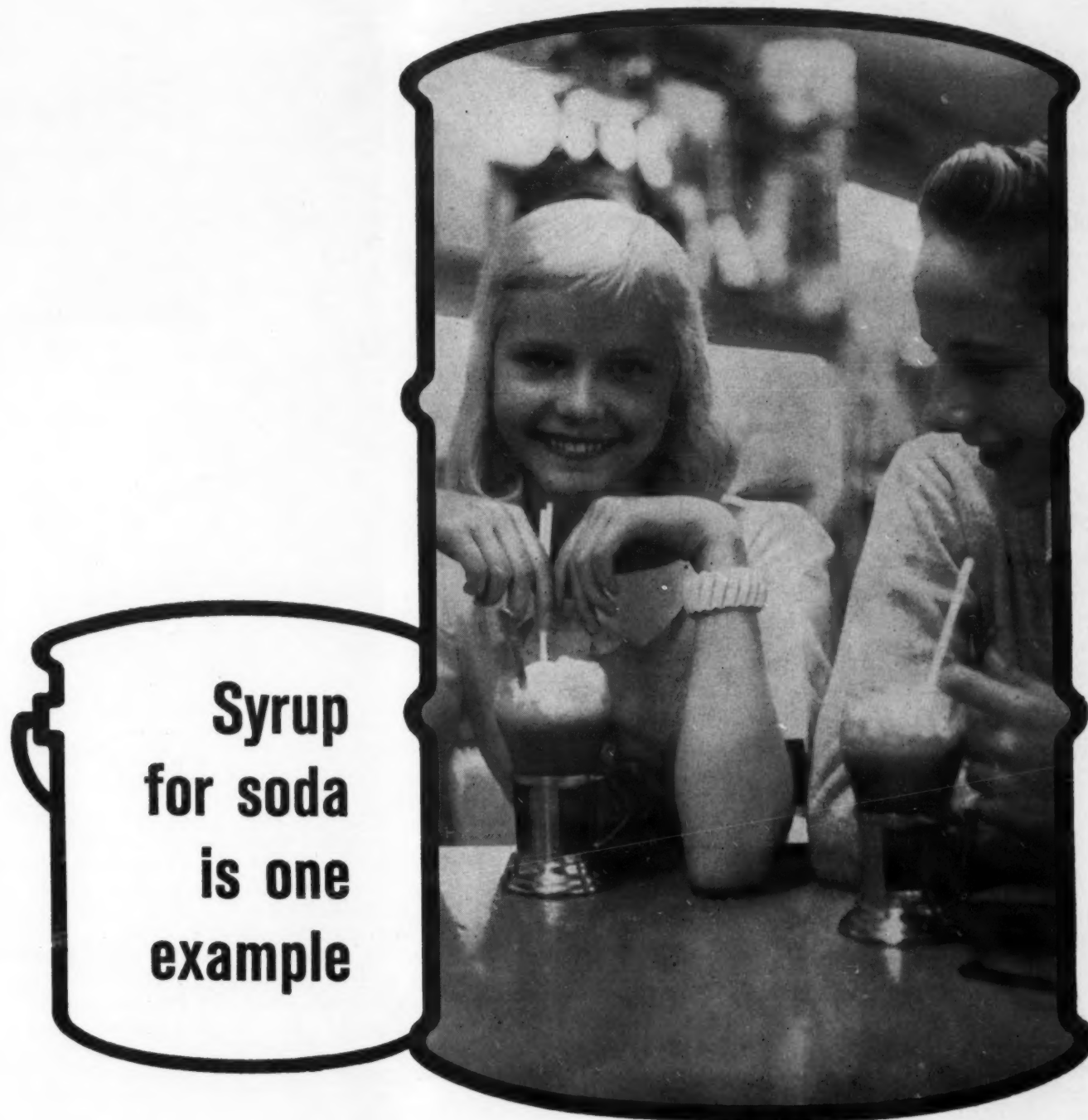
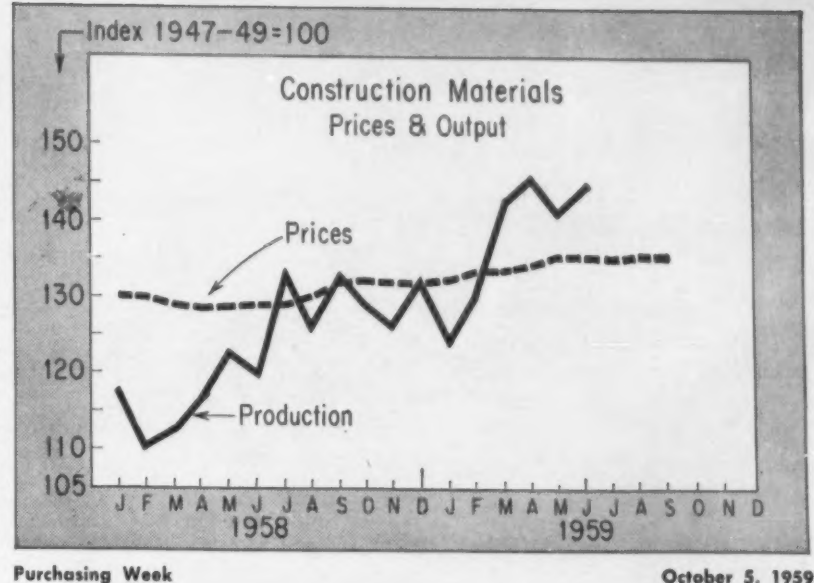
Also significant is the fact that despite a 7% increase in cement capacity this year, firms have been operating at a higher per cent of rated capacity.

Based on current estimates, the cement industry should turn out 340 million bbl. this year. That's the equivalent of 80% of capacity compared to last year's 78% figure.

The temporary tapering off in

housing demand will affect other building materials as well as lumber, steel, and cement. Wall board and roofing tags, for example, will show some weakness. So may plumbing and heating fixtures. Brick prices, after recent rises probably will remain unchanged for the next several months.

But that doesn't mean the lull in the building material price uptrend will last forever. For example, there may be further increases posted early next year for aluminum, copper, and glass. Increased labor costs would be the price factor behind such future boosts in these building materials.



Syrup
for soda
is one
example

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Pure and protected, ingredients for many of our foods journey from supplier to processor in containers of steel. Whatever product you ship, its purity is secure in a USS steel drum or pail. USS shipping containers guard your product in a rugged, durable shell of steel. They're precision-made, precision-lined and spotlessly clean, and they're ready to be decorated with your full-color trademark, design or merchandising message.

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Washington Perspective

Not All Rosy
For the Reds

Publication of Republican guidelines for the future has begun. This week brings the first in a series of five installments of the report of the G.O.P. Committee on Program & Progress, chair-manned by President Charles Percy of Bell & Howell, Chicago. Last of the installments, probably the most important, will deal with "economic opportunity and progress." It is the work of a task force headed by Dr. Gabriel Hauge, onetime economic adviser to President Eisenhower and is scheduled for publication on Oct. 13.

The committee looks ahead—trying to cover the period between now and 1976.

In sum, it recommends that the G.O.P. keep, mainly, to what in today's international and domestic context amounts to the middle road politically. There are, of course, some minor variations. For example, one report recommends that the party disassociate itself definitely from sponsorship of "right to work" laws—although it does not mention "right to work" in those words. By implication, another report suggests that the present travel and immigration restrictions are too severe.

The committee's work will figure in preparation of the 1960 Republican platform. The report was not especially designed as a campaign instrument for next year, but Dr. Cornelius Cotter of Stanford University, the committee's staff director, is being retained on the G.O.P. national committee staff until past convention time. He will be a key adviser in preparation of the party platform at Chicago next July.

The first report deals with "science and technology." Chairman of the task force that drafted it is Charles E. Ducommun of California, industrialist and financier, and past chairman of the party's national finance committee.

This report bears down hard on the changes in distribution techniques, business practices, and management tools that will be produced by electronics, automation, atomic energy, etc.

In the wake of Russia's Khrushchev visit, an important new study has been published that sets in perspective the Soviet leader's boasts that he will overtake soon the U. S. in production.

The study, a compilation of various experts' views, was published by the Joint Economic Committee as part of its sweeping look into a comparison of the two economies.

The study also takes a long look at the procurement and supply functions as practiced in a Communist state. The conclusions: imperfect supply planning, over-all tightness of supply, and a supply bureaucracy not up to Western standards.

The experts look for further supply problems as the Soviet continues to grow, but at the same time the Russians are making intensive efforts to improve their system.

One factor is growing Soviet interest in input-output techniques that have been used in the West for some years—techniques for which Western enthusiasm is diminishing.

Teamster Boss Hoffa and his underlings set out to undercut anti-corruption forces tightening the net against them.

Hoffa doesn't intend to retreat; instead he is digging for a long fight. The Hoffa forces open a counter attack against Labor Secretary Mitchell and Martin F. O'Donoghue, head of the court-appointed clean-up monitors.

At the executive board meeting of the Teamsters, Hoffa:

- Ignored monitor demands for a union trial of three teamster officials. Hoffa claimed his investigation showed no need for it.
- Shrugged off the labor reform bill provisions preventing convicted felons from holding office for five years after conviction. Hoffa claimed that his check showed only five of 10,000 union officials affected. Furthermore, all five would be free to resume union office next January, says Hoffa.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	365	362*	1,901
Autos, units	88,906	62,716*	42,599
Trucks, units	21,507	19,903*	14,314
Crude runs, thous bbl, daily aver	7,722	7,994	7,639
Distillate fuel oil, thous bbl	12,155	12,326	12,475
Residual fuel oil, thous bbl	6,333	6,082	7,034
Gasoline, thous bbl	28,078	29,192	27,758
Petroleum refineries operating rate, %	79.5	82.3	82.7
Container board, tons	162,275	156,858	160,331
Boxboard, tons	173,971	170,891	149,163
Paper operating rate, %	95.6	77.3*	92.2
Lumber, thous of board ft	261,028	225,790	259,331
Bituminous coal, daily aver thous tons	1,297	1,280*	1,422
Electric power, million kilowatt hours	12,878	12,779	12,342
Eng const awards, mil \$ Eng News-Rec	408.4	410.7	495.7

* Revised



GORDON B. AFFLECK, left, immediate past president of N.A.P.A., discusses conference plans with R. S. Hill, vice president of West Coast District 1.



PLANS FOR THE 1960 N.A.P.A. CONVENTION in L. A. engross C. R. Murray, left, conference general chairman, and Howard Ahl, N.A.P.A. Exec.-Sec.

Purchasers Vocal On Public Affairs

(Continued from page 1)
ing should make a decisive stand on labor matters, an area becoming more and more important to the purchasing profession.

"I believe we have only seen the beginning of the trouble labor can cause," Baker declared. "We must take a stand on this problem sometime, and today is as good as any."

The establishment of a National Affairs Committee is a major plank this year in the program of N.A.P.A. President Thomas O. English, general purchasing agent for the Aluminum Co. of America.

Discussing the subject at the opening session of the well-attended conference, English said dangerous and ill-conceived legislation pending in Washington should be a matter of great concern to purchasing.

Bills Could Hurt Purchasing

"Bills such as S. 215, S. 11, and HR. 11, all proposing government control of product pricing by both small and large companies, would hurt the aims of good purchasing," English declared.

"I feel our association should establish a National Affairs Committee to help fight such legislation. The committee, composed of outstanding purchasing men from each of the districts, would take it upon itself the duty of making purchasing's voice heard at legislative hearings, keeping abreast of all matters of political as well as business importance, and keeping all members informed on these matters."

The point was raised again during a panel discussion when Del Roskam, a former purchasing agent and now vice president of Cessna Aircraft Co., Wichita, declared:

"The purchasing profession has now reached such a stature that its voice will be heard and listened to. Now it is up to each and every P.A. to speak."

Frank W. Lovejoy, a vice president of Socony Mobil Oil Co., New York, added still another push to the move by noting that "purchasing agents are still too shy many times to demand what is rightfully theirs."

"Purchasing agents, whether they know it or not, are becoming a major force in the nation's business economy. But they still won't get their seat at management's table until they act like management by being decision-makers and stand-takers."

Another major point spot-



MAIN SPEAKERS at Southwest Purchasing Conference included, l. to r., Howard Ahl, N.A.P.A. exec.-sec.; Frank Scott, district 2 v.p.; Carl A. Gerstacker, v.p. for the Dow Chemical Co.; Thomas O. English, N.A.P.A. president, and Frank W. Lovejoy, an executive of Socony Mobil Oil Co.

lighted at the conference was the moves by many American companies to set up facilities overseas to compete with foreign companies on a firm and equal footing.

"This started a while back in order for American companies to sell their products in overseas markets on a competitive basis," explained Carl A. Gerstacker, vice president, treasurer, and di-

rector of the Dow Chemical Co., Midland, Mich.

"Now the move seems to be taking another twist. Some companies appear to be setting up more overseas facilities in order to manufacture products more cheaply and sell them here in this country and thus expand markets. It is my belief that if this move spreads, it will not help, only hurt, the economy."

Labor Looms Buyers' Big Problem

(Continued from page 1)
ern Pacific Co., San Francisco.

"Even before we get a chance to readjust at the end of these strikes, railway labor unions will begin negotiating new contracts, and this is something we'll have to keep a close eye on."

Murray emphasized the effect of labor situations on prices and commodities.

Similar comments came from delegates attending the conference from Arizona, Hawaii, Los Angeles, Northern California, San Diego, Oregon, Utah, and Washington.

G. W. Howard Ahl, N. A. P. A. executive secretary-treasurer, set the tone of the meeting when he told an opening session that "purchasing is a big job getting bigger" and that men in buying posts must be flexible and able to expand with enlarging responsibilities.

He also discussed the controversy between materials management and purchasing agents, and said it remains to be decided "how many other related activities should be embraced by purchasing agents."

He added, however, that if materials management is the current step up for the purchasing profession "then we should not let it slip from our grasp."

Problems of inflation were reviewed by Ransom Cook, president of the American Trust Co.,

San Francisco. He said the country has been on a spending spree and money is tight.

"Savings in this country have not kept up with the nation's growth and expansion," the business executive declared. "The national economy has been blown up so much that we are living on the edge of an eggshell."

Another speaker on the program, R. B. Leng, vice president and general manager, technical products division of Packard-Bell Electronics Co., said purchasing agents would experience development of the "weapons system management concept" consisting of small groups of purchasing people doing work with larger companies.

Leng said the concept is growing of having program or project managers cutting across all lines. Buyers will be assigned to work directly for the project manager, he said, and still be required to work well with purchasing lines of a company.

He also noted that management is getting more involved in source selection and that "make or buy plans" will be required in advance from purchasing agents. They will be required to describe in advance which subcontractor is to be used, he said.

"The manner in which this will be done in coming months," Leng concluded, "will be of considerable surprise to all of you."



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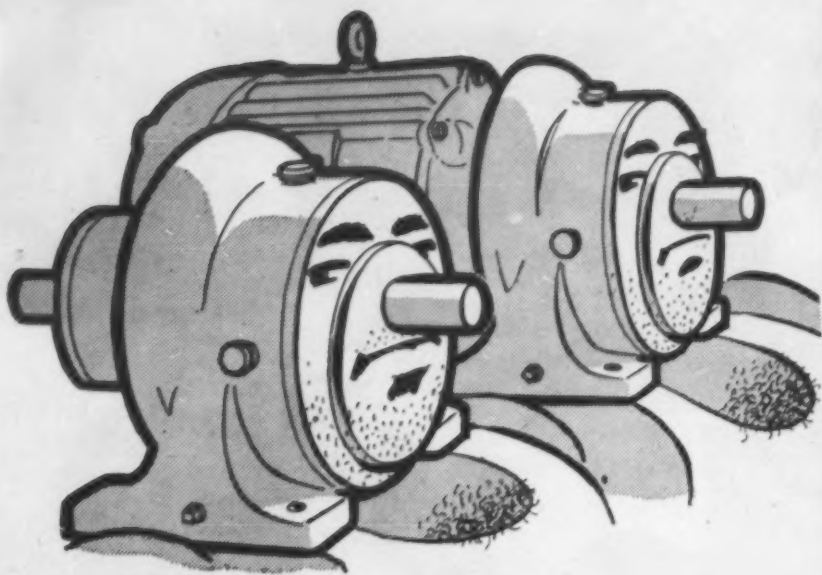
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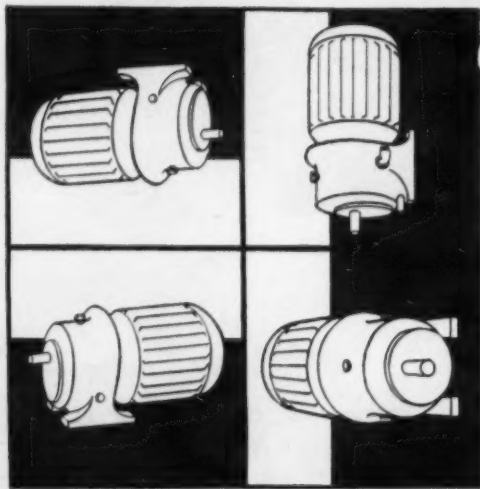


These boys are really tough!

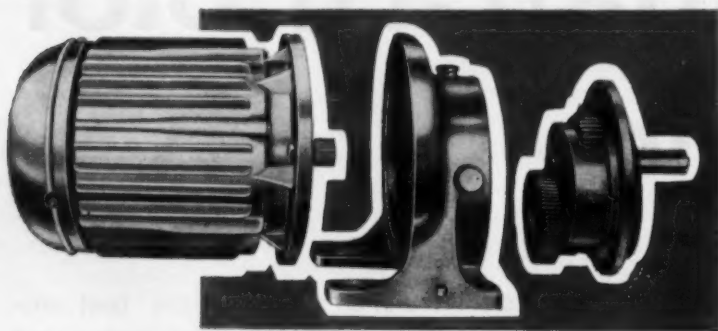
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Auto Leasing Gains, But No Cure-All

Chicago—The arrival of Detroit's 1960 models this month again moves auto fleet managers to consider the question: Which is more advantageous—leasing or buying of company auto fleets?

A new study of auto leasing operations by the Foundation for Management Research argues that most fleet managers fail to take into consideration the "cost of owning" both small and large automobile fleets. The Foundation also contends that salesman-owned cars, except in the case of low-annual mileages, are by no means "the cheapest or most efficient forms of auto transportation."

Taking into consideration vital factors such as finance, service, actual operation, and use of the fleet, the answer to the question of whether to lease or buy auto fleets may very well add up to "it all depends..." But the Foundation asserts that the company-owned auto fleet is headed for eventual extinction and cites as a major reason the necessity of "saving working capital."

More Leasing to Come

In a long look at the phenomenal growth of auto leasing operations since the end of World War II, the Chicago research firm concludes that: "... within the next decade or two, most major companies... probably will be using a leased fleet."

The outlook, according to the Foundation, is that leasing will slowly displace most company-owned cars and about half the salesman-owned cars used by industry. It cites post-war trends of "tightening money and decreased capital liquidity" as main forces behind the shift to long-term auto fleet leasing.

Summarizing its conclusions in a report entitled, "The Advantages and Disadvantages of Auto Fleet Leasing," the Foundation admits that auto leasing is "far from a cure-all."

Broad Scope Examination

The Foundation's findings are based on a unique dollar and cents comparison of the cost of company ownership, salesman ownership, and leasing. The study involved inspections of company records covering nearly 30,000 leased company-owned and salesman-owned cars plus interviews with more than 2,000 salesmen and officers of 36 companies using a so-called "scientific system" to determine mileage costs in their salesmen's territories.

The Foundation said its survey of fleet operations indicated most firms omitted two key elements in their fleet cost analyses:

- Cost of administering a company fleet.
- Capital investment costs.

Emphasizing the cost of capital investment, the Foundation argues that "every manufacturer, wholesaler, and retailer ought to calculate the precise return on his own working capital." It asserts that most fleet experts, while understanding autos, do not understand corporate finance.

The Foundation's analysis cites cost data figures which indicate that in all annual mileage brackets—ranging from 15,000 up to 25,000 miles—the cost per mile under company-owned fleet plans is less than cost per mile under auto lease plans. But the Foundation contends a realistic analysis would show that sizable

net profits are lost by companies that own fleets and are gained by companies that lease in comparable industrial truck fleet situations.

The Foundation's report includes statistical summaries that attempt to show the significant differences and costs involving capital funds and profits in similar fleet ownership vs. fleet leasing situations.

Not True in Every Case

The Foundation admits, however, that a finding that "auto fleet leasing is productive of more profit than company-owned fleets, is not true for every case." An exception is an instance where a company has all the working capital, short term bank credit, long term debt financing, etc. it needs.

Then it adds: "But for the bulk of companies which can profitably use more funds in their operations, auto leasing seems to offer a form of financing that permits the user to borrow outside capital (in the form of fixed assets). Moreover, this kind of financing apparently has advantages that apparently no other form of financing has. Leasing is 100% financing, and it does not have any appreciable effect on a company's other credit lines."

A Financial Matter

Summarizing, the report argues that company-owned fleets are valuable only in special situations where a company has a surplus of financial resources and no immediate expansion plans. It goes on to say that "where companies can use additional funds, a leased auto fleet offers all the advantages of company ownership, without

the disadvantage of cutting into company profits."

As for salesman-owned automobiles, the Foundation contends that many companies are kidding themselves into believing that salesman-owned automobiles are the cheapest form of auto fleet operation. Among other things, the report asserts that salesmen are inclined to pad mileage expense accounts and companies sometimes hire inferior salesmen merely because they have cars available.

Added Maintenance Problem

It also cites the management headache of seeing that a salesman's car is kept in operation and is maintained in tip-top appearance.

The Foundation's report also summarizes the operation of the two principal types of fleet leasing—the finance (or equipment discount) lease and the fixed cost maintenance lease.

The Foundation concluded that its findings indicate there are many more advantages to auto fleet leasing than disadvantages, and that advantages offered by leasing outweigh disadvantages.

Individual Study Needed

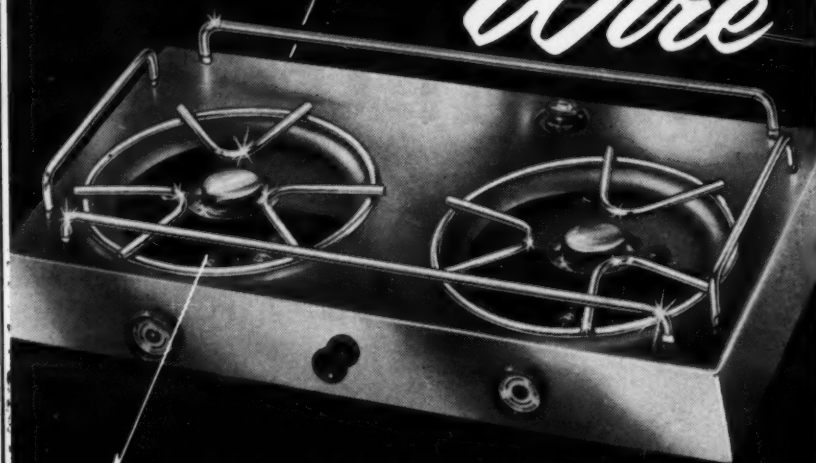
But it also makes a point that what may be sound for one company may not hold for another and the Foundation urges individual application of its conclusions to any study of a firm's auto fleet operations.

In making exact comparisons between leased cars and company-owned and salesman-owned cars, the Foundation study refers to one and two year leasing plans and has nothing to do with the short term "rental" by the day or week, or with truck leasing.

Single free copies of the study are available by writing to the Foundation for Management Research 121 West Adams St., Chicago 3, Ill.

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Gen. Bradley Proclaims '60 Rougher Purchasers Schedule 2 District Conferences

(Continued from page 1)
in furnishing current and accurate cost information during negotiations of target prices.

"If we don't get better cooperation in this respect, we may be forced to discontinue using the incentive type contract," he pointed out.

The general also lamented the fact that the Air Force has to require contractors to provide a certificate attesting to the accuracy and currency of cost information. But the requirement will be extended in the revision of the Armed Services Procurement Regulations to include all first-tier subs where the sum involved is more than \$100,000 and where there is no effective competition.

Air Force procurement budget for 1960 is \$7.9 billion, down from the 1957 peak of \$9.4 billion, but still substantial, Bradley emphasized.

The High Cost of Missiles

Although obligating funds have not varied too greatly, expenditures themselves have risen so as to limit what the Air Force can spend. He referred to the big outlays for missiles and for research and development.

Thus, he said, "we are limited in the programs we can support not by what money is available to obligate, but by the dollar payments required out of the Treasury to pay for deliveries."

With that, the general proceeded to suggest some broad areas where industry could trim costs.

He voiced suspicion that many contractors are "holding on to expensive technicians and facilities which they acquired to meet programs of a magnitude which we no longer have and which I think we will never have again."

Peak production of 95,272 military aircraft that was reached in 1944 was compared with the estimated production of 1,900 aircraft and missiles in 1960. Such decline of mass production, Bradley felt, would suggest that industry ought to trim its excess facilities and personnel.

Goldplated Pushbuttons

Another area where he suggested costs could be cut was in "goldplating."

"We have gone too far in the direction of super-fancy equipment which does everything. Our bomb navigation systems are an example of this."

The growing need, he said, is for simple designs that are easy and inexpensive to maintain.

Although 25% of the dollars the Air Force places with prime contractors finds its way to small business concerns, Bradley urged that this figure be upped significantly in the future.

And he pointed out that the \$920 million in prime contracts awarded to small business in fiscal 1959 was a 22% hike over 1958.

"Of course," he said, "no matter how we distribute our contracts we must adhere to the basic procurement principles of quality, prompt delivery, and lowest price."

Although his talk had been entitled "Changing Role of the Subcontractor in Air Force Procurement," Bradley felt that subcontractors will perform much

the same role they have performed in the past, and that there will be just as many subcontractors as there have been in the past.

"A look at the weapon system method of procurement might suggest that we will have more subcontractors because the contractor must buy more. But, on the other side of the coin, volume purchasing is going down. The two situations balance each other out."

New York—Two district conferences are on tap next week in Springfield, Mass., where New England P.A.'s will hold their 14th annual meeting, and in Chattanooga, Tenn., site of the 16th Annual Conference of purchasing agents of the Southeast.

Southern Style

District 7 P.A.'s have a two-day "Southern Style" program lined up, starting Oct. 11. Featured speakers include Marshall G. Edwards, district chairman and purchasing agent at Missis-

sippi Products, Inc., Jackson, handling the professional development story, and E. Phil Kron, purchasing agent at Eastman Kodak Co., who will take up value analysis and standardization.

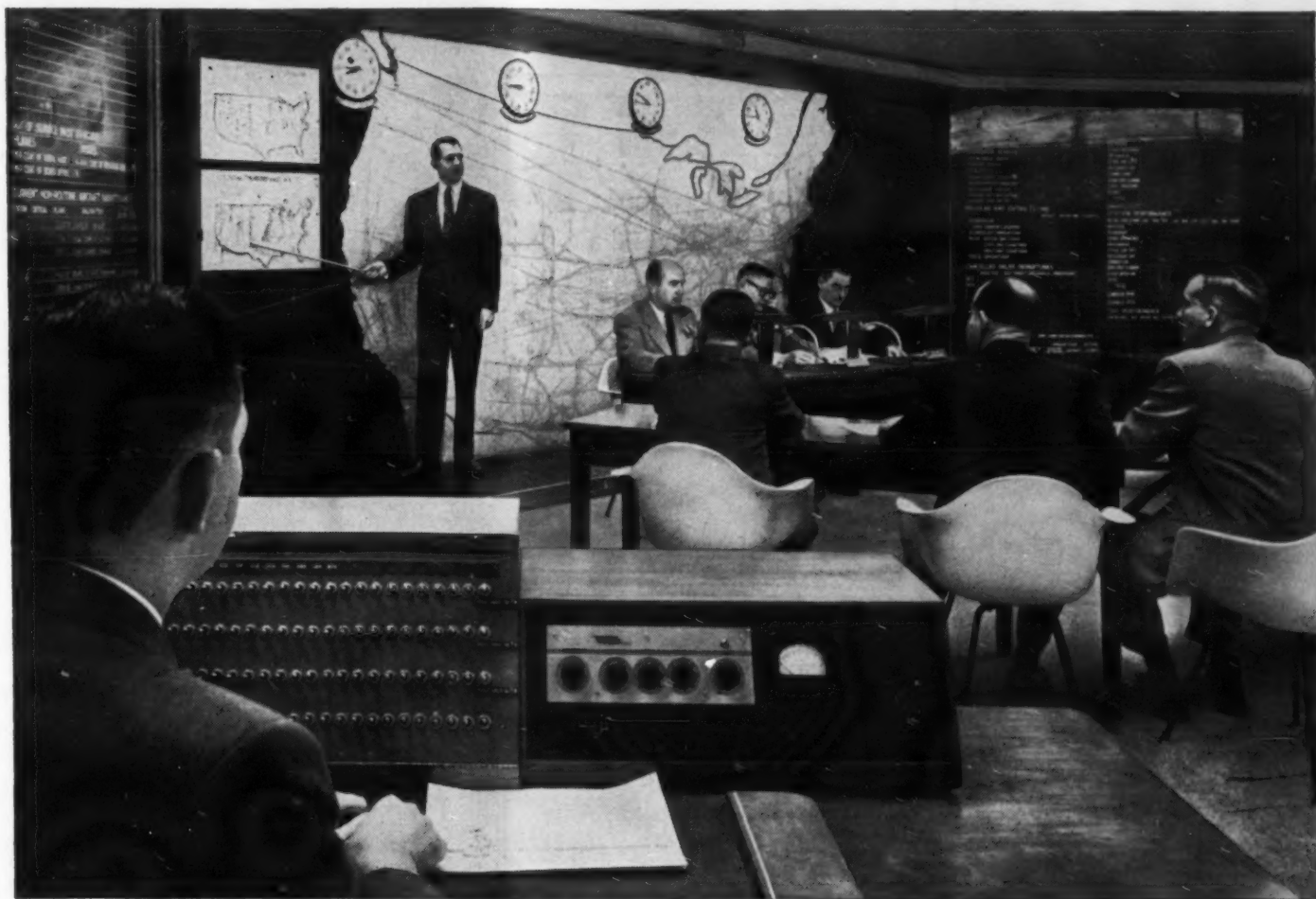
Guest Speakers

Guest speakers at the Tennessee meeting include N.A.P.A. President Thomas O. English and G. W. Howard Ahl, executive secretary-treasurer of the National Association, both of whom will then hot-foot it up north in time to appear at the New Eng-

land (District 9) Purchasing Conference—a one-day affair on Oct. 15.

Highlights of the Springfield meeting include Raymond W. Smith, vice president and general manager, Transformer Division, General Electric Co., who will talk on "Foreign Competition."

Mather F. Harding, American Bosch Arma Corp., will moderate a VASCO discussion, featuring an address by F. Scott Liston, standards administrator, Diamond Alkali Co., Cleveland, Ohio.



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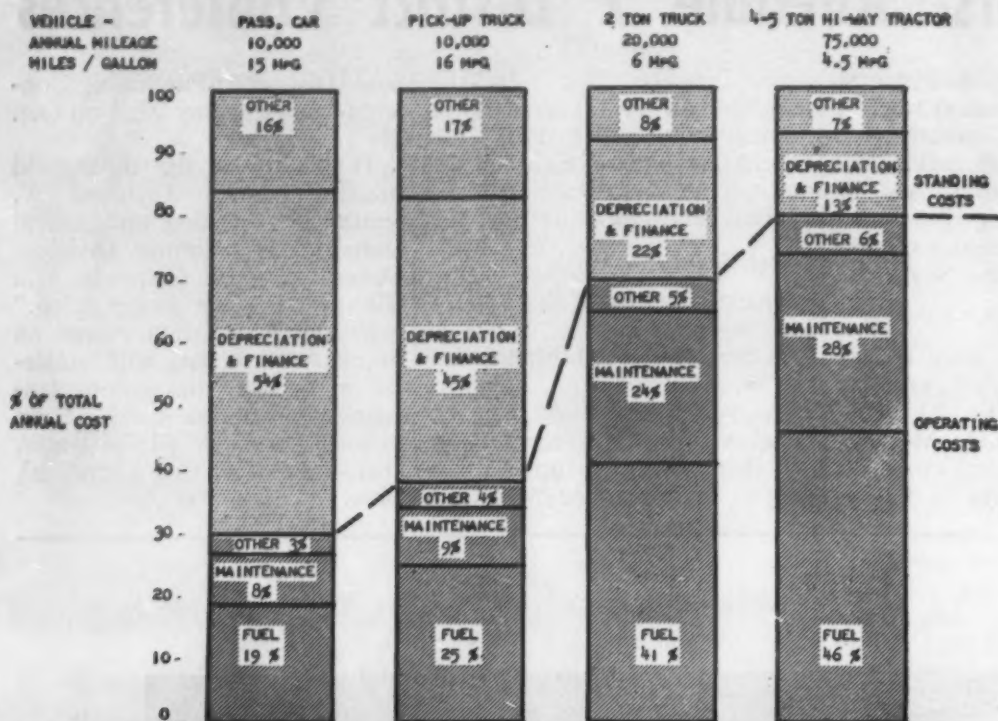
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MAJOR SEGMENTS OF THE ANNUAL COST OF OWNERSHIP OF TYPICAL VEHICLES IN NORMAL OPERATION



Ford Introduces 1960 Truck Models With Emphasis on Durability, Economy

Louisville, Ky.—Ford Motor Co., forecasting expansion throughout the entire truck manufacturing industry, introduced its 1960 line here with emphasis on reduced operating costs as against offering mechanical innovations.

In explaining the lower cost program, Ford offered an illuminating comparison of cost of ownership of typical vehicles (see bar chart at left). The chart shows that operating costs in a heavy duty truck account for 80% of the total cost of ownership whereas in a passenger car such costs amount to a relatively negligible 30%.

The company reasons, therefore, that every effort should be expended on increased durability, fuel and lubricant economy, and ease of maintenance. Ford has concluded that radical, non fleet-tested mechanical innovations are frills that do not rate a fair share of the owner's investment.

In anticipation of an annual industry demand for 1,450,000 trucks by 1970 (as against a 1-million unit forecast for 1960), Ford announced it is adding 216,000 sq. ft. of manufacturing space to its heavy duty truck plant here.

Ford entered the heavy duty truck field in 1955 on an experimental basis and now builds 15 such units per hour at its Louisville facilities. In light truck production, Ford still stands number two to Chevrolet.

Ford's current heavy duty lines include models rated up to 76,000 lb. gross vehicle weight. Engines available range from economy six cylinder designs to a massive 534-cu. in. 270 hp. V8. One of the latter, operated by the Borden Co. in California for 250,000 miles without major repair,

was torn down for inspection by newsmen at the Ford truck show here. It was in such good condition that it will be reassembled for further service.

The 1960 Ford trucks are unchanged from previous models except for details of styling and engineering although the company is, of course, aware of radical changes recently made by its competition in the field.

Chevrolet, for example, recently has introduced torsion bar front suspension combined with coil rear springs in lighter duty models that produces a ride of near passenger car standards. G.M.C. also will have this feature, plus an all new line of V6 and V12 gasoline and diesel engines. Ford, on the other hand, is just completing engineering tests of its diesel unit.

But Dodge also has broken into the extra heavy-duty field with a true "Western" model that eliminates the styled sheet metal inherited from passenger cars.

Ford officials attributed their cautious entry into the heavy-duty field to manufacturing problems unknown in the mass production of passenger cars. Hardly two heavy-duty trucks of the same make are alike. No matter how many cataloged options are made available, a buyer is likely to specify an alternate that must be procured individually from an outside supplier.

Each truck is literally custom built, and makers such as Mack, White, and International have long enjoyed reputations as specialists.

Ford, on the other hand, was a mass producer and its name to truckers had to be established as a guarantee of quality.

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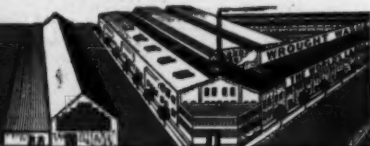
- KLIP-PAC** prevents "mixing" of sizes. The right size and type of washer is segregated from other sizes for correct assembly applications and for the time-saving convenience of workers.
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Monthly Trend in Freight*

(% Change from Corresponding Month of Previous Year)

Railroad Freight Car Loadings.....	-13.8
Trucking—Intercity Tonnage	+18.9
Air Freight and Express—Ton Miles.....	+24.3
†Waterways—Foreign Trade Ship Clearances.....	+9.8

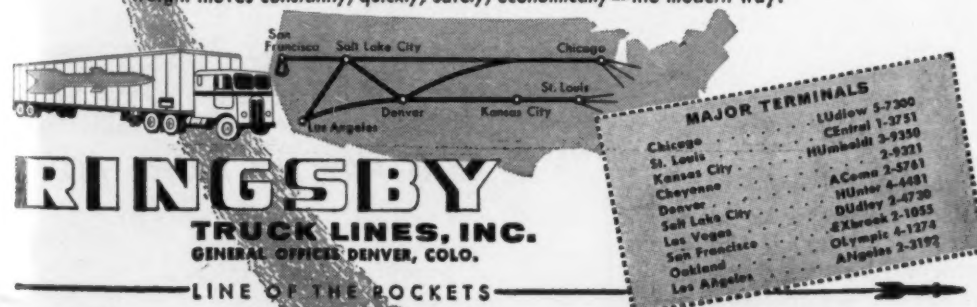
*Latest month for Railroads is August; Trucks, July; Airlines, June; Waterways, June.

†Purchasing Week Projection.

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Rail Supply Show Stresses Damage

Chicago—Railway car builders are coming up with some answers to freight shipment damage.

The terms "load divider," "compartmentizer," and "cushion underframe" were among the new listings at the Allied Railway Supply Assn. show here a week ago.

All described devices and techniques aimed at saving shippers millions of dollars a year by reducing damage—welcome news at a time when shipping damages run more than \$100 million a year.

Damage to goods packed in fiber boxes or other paper containers accounts for one-third of all damage claims, and one out of every nine carloads is used to haul this kind of lading. Chance of damage increases sharply with less-than-carload shipping.

Putting the "Squeeze" On

Pullman-Standard, a division of Pullman, Inc. showed its "compartmentizer" method of preventing boxcar cargoes (especially LCL lading) from jerking, tumbling, and bouncing. Cartons are packed solidly into the boxcar by hand, leaving as little waste space as possible. Instead of rope or steel bands to secure the cargo, floor-to-ceiling steel panels are locked into position, pressing the cargo toward either end of the boxcar. The compartmentizer is an optional feature on the new PS-1 Pullman-Standard boxcar, and can be purchased separately for most existing boxcars.

Equipment Specialties Division (Equipco) of Union Asbestos & Rubber Co. also showed a load-divider, similar to Pullman-Standard's compartmentizer. Equipco's load divider is more flexible allowing each side of the boxcar to be loaded differently. It is purchased as a separate item for installation on any existing boxcar or refrigerator car.

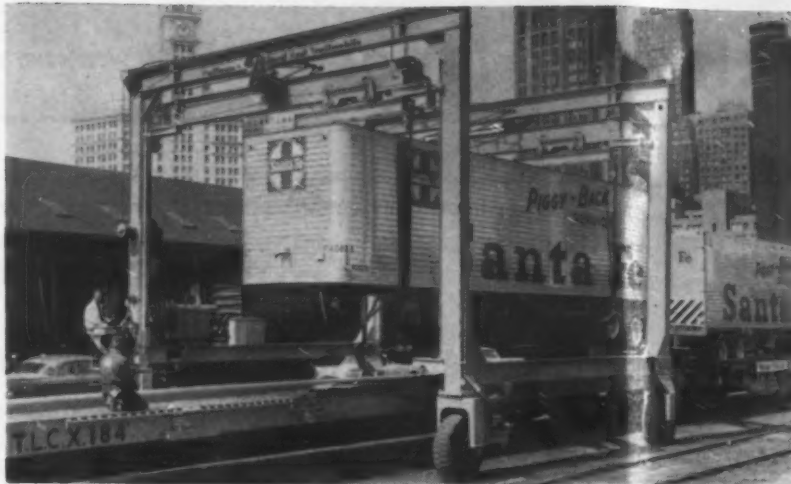
Two car manufacturers exhibited devices designed to reduce humping shock below the usual levels.

Cushion Underframe

Pullman-Standard also offered a new hydraulic cushion underframe expected to save shippers more than \$25 million a year by eliminating impact damage. The device absorbs several times more energy than older types by allowing 30 in. of travel for either end of the car.

Emphasis on piggyback shipping indicated the growing importance of this modern shipping method. American Car and Foundry exhibited a new 85-ft. flatcar, specially equipped with four retractable trailer hitches to carry three 27-ft. or two 40-ft. highway trailers.

Two versions of a straddle-type travelift crane which can transfer a trailer from ground to flatcar in less than five minutes also were demonstrated. The two-story tall, self-driven loading device straddles a trailer, picks it up by slings or clamps, then straddles the flatcar and lowers the trailer into exact position on the flatcar bed. Pullman-Standard and Trailmobile Inc. offer the travelift carrier as part of their new pat container shipping system.



SPEEDING UP piggyback transfers: 2-story high self-driven travelift crane can hoist highway trailer to railway flatcar in less than 5 minutes.



THREE-ON-ONE piggybacking is possible with this 85-foot flatcar. Extra retractable hitches permit carrying of three highway trailers at one time.



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You Take Action

Although presented from the viewpoint of the industrial marketing executive, a just published Canadian report on "How Industry Buys"* is in reality a detailed study of industrial purchasing. As such it offers purchasing men an opportunity—

1. To see themselves through the eyes of business administration professors whose conclusions are based on case histories involving 36 companies and 108 individual purchases. Example:

"In the great majority of instances . . . the purchasing agent's opinion was respected and valued . . . In some cases, the purchasing agent was considered to be a part of the management team and took part in formulating company policy. This top management status of the purchasing agent was most common in larger companies . . ."

Such material makes for "nice reading" and helps build self confidence for the purchasing man, but, at the same time—

2. It is better when the reader of the report accepts as a challenge such comments as:

"The extent of the purchasing agent's influence appeared to be largely determined by the attitude of management personnel to the purchasing function and purchasing personnel.

"Implicit in the development of a competent purchasing staff was the employment of management-calibre people to handle purchasing, respect for the ability and integrity of the purchasing department, and adequate delegation of responsibility and authority to purchasing personnel. In instances where top management retained tight control over purchasing decisions, little development of purchasing personnel was evident."

Such comments when appraised in the light of an individual's operations should generate thoughts on how to do something about improving the purchasing function within an individual company, but, even so, such thoughts become really valuable only—

3. When you take action.

The big question then becomes: What action should be taken? Just as the report is valuable only when studied, interpreted, and applied to an individual case, so suggestions mean little unless put into proper perspective.

However, the report, being on marketing to industry, could become a red hot topic for management committee discussions with purchasing taking a leading role.

The 108 case histories of purchases could form the basis for a limited or extensive discussion course within an individual company or within a purchasing group.

Many things can be done but they all start with . . .

"You take action."

*"How Industry Buys," is a study sponsored by the Business Newspapers Association of Canada and the Canadian Chapters of the National Industrial Advertisers Association, and is concerned 100% with industrial purchasing. The authors, all on the staff of the University of Western Ontario, are Donald H. Thain, DBA; Charles B. Johnston, MBA; David S. R. Leighton, DBA.

Your Follow-Up File

Boosts Buying Books

Chicago, Ill.

We have been reading with interest your publication. Keep up the good work; it is excellent and we look forward to reading it every week.

Your Sept. 21 issue had an article on "Books You Can Use to Boost Buying Knowledge" and we would like permission to refer to it and list some of the books in our next house organ. We would select those which we believe our customers would be interested in.

Martin R. Binder
President

Abbott Screw & Mfg. Co.

• You have our permission.

We Seesawed the Saws

Baltimore, Md.

In PURCHASING WEEK's Aug. 24 issue, new product section page 31, you described Production Machinery Inc.'s new Promacut Multi-Purpose Cut-Off Saw.

The description, including price and delivery information, was correct. But the picture is that of another manufacturer's product.

Richard MacLelan
Emery Advertising Corp.

• For the right picture of Production Machinery, Inc.'s new cut-off saw, see Purchasing Week's Aug. 31 issue, page 16. You'll find it alongside of the description of Delta Power Tool Division's new circular saw. The Delta circular saw appears with Production Machinery's cut-off saw description.

Who Slammed the Lid?

Hempstead, N. Y.

In your article "States Slam Lid on Foreign Imports" (P. W., Sept. 14,

'59, p. 1), I noticed that 15 states have passed laws banning the purchase of foreign goods.

We would appreciate the names of those states and the names of any county, city, or local governments which, to your knowledge, have passed similar laws.

Robert J. Scaramuccia
Director of Purchasing
Town of Hempstead

The Senator Approves

Washington, D. C.

Senator Sparkman has seen the wonderful article which you did on Defense Department purchasing practices (P. W., "Sparkman Aims Double Blast at Purchasing Men," Sept. 14, '59, p. 1) and he appreciates this article very much.

It is good to know that PURCHASING WEEK has taken so much interest in Senator Sparkman's efforts to cut out Defense waste.

Grover C. Smith
Press Assistant to Senator Sparkman

Another Sector Heard From

Ponce, Puerto Rico

We purchasing agents of Puerto Rico, who number approximately 100, are interested in forming our own Purchasing Agents Association of Puerto Rico to be affiliated with the National Association of Purchasing Agents.

We would appreciate your advising us as to whom we may contact at N.A.P.A. to assist us in setting up our charter.

J. J. Price
Purchasing Agent & Materials Manager
Commonwealth Oil Refining Co., Inc.

• G. W. Howard Ahl, executive secretary-treasurer, N.A.P.A., 11 Park Place, New York, N. Y.

He'll Spread the Word

North Little Rock, Ark.

I am in the process of preparing a speech to be delivered before a group of bookkeepers concerning purchasing and purchases control.

Could you supply me with some material or a list of books I might use in preparing this talk?

Roger Carter
Staff Assistant
Arkansas State Electric Cooperative, Inc.

• We'd recommend the "Purchasing Handbook," edited by George Aljian. Also see our report on "Books You Can Use to Boost Buying Knowledge" (P.W., Sept. 21, '59, p. 19).

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

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Vol. 2, No. 40

October 5, 1959

PURCHASING WEEK is published weekly by the McGraw-Hill Publishing Co., Inc., James H. McGraw (1860-1948), Founder. Publication Office, 99-129 North Broadway, Albany 1, N. Y. See panel below for directions regarding subscriptions or change of address.

EXECUTIVE, EDITORIAL, CIRCULATION and ADVERTISING OFFICES: 330 West 42nd St., New York 36, N. Y. Donald C. McGraw, President; Joseph A. Gerardi, Executive Vice President; L. Keith Goodrich, Vice President and Treasurer; John J. Cooke, Secretary; Officers of the Publications Division: Nelson L. Bond, President; Harry L. Waddell, Senior Vice President; John R. Callahan, Vice President and Editorial Director; Joseph H. Allen, Vice President and Director of Advertising Sales; A. R. Venezian, Vice President and Circulation Coordinator.

Subscriptions are solicited only from purchasing executives in industry, business and government. Position and company connection must be indicated on subscription orders. Send to address shown in box below.

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What do you think can be done to encourage the schools (colleges) to offer purchasing courses?



C. R. Hinkley, purchasing agent, Acushnet Process Co., New Bedford, Mass.:

"The need for theoretical knowledge must be established and proven. This only can be accomplished by men currently engaged in the purchasing profession selling this need to colleges. This phase should be as much a part of the business administration course as accounting, etc. No longer can a man expect to gain all the knowledge necessary to conduct a well organized and efficient purchasing department from experience. Previous schooling in the fundamental and advanced ideas of purchasing for profit is required as well as on the job experience. Many colleges currently sponsor seminars in conjunction with local purchasing associations; but, we as purchasing men must convince the colleges that the time to train purchasing personnel is during the college years and a purchasing course is vitally needed in today's college curriculum."



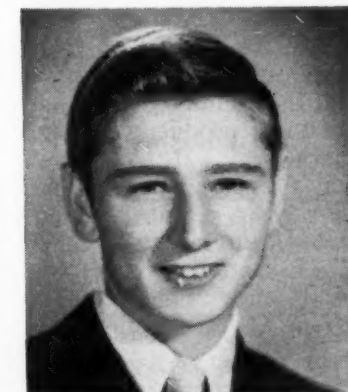
Jason Ullman, purchasing agent, Electro Cords Co., Los Angeles:

"This could be done by some of the following methods. Regional purchasing groups can offer a one year or longer scholarship (as their treasury will allow). Purchasing agents should offer their services as lecturers and guest speakers to schools (if possible) at no charge to encourage greater use of their services at both day and evening sessions. Where possible a combination work and school program either on a part-time basis or summer schedule should be worked out with the colleges to encourage greater interest in purchasing as a profession."



D. R. Coffman, purchasing agent, Cathode Ray Tube Department, General Electric Co., Syracuse, N. Y.:

"Today's progressive firms require professional purchasing people. Secondary and college guidance people must be better informed to adequately describe the profession and aid in the encouragement of such a career. Business must recruit for purchasing career people. With such a need and a stimulus, our colleges must accept the challenge and establish a degree program. Let's not dwell on purchasing courses per se as much as on qualified instructors and programs in creative engineering, value analysis, salesmanship, speaking, cost analysis, data processing, quality control, business law, industrial psychology, the composite or balance of which makes for the professional purchasing graduate."



E. A. DeVel, purchasing agent, Continental Electric Co., Geneva, Ill.

"The problem is twofold. Something must first be done to arouse the interest of the students in a purchasing career. Colleges will never offer a course of study in which there is only limited student interest. Secondly, the purchasing profession should make educators conscious of the need for especially trained personnel and that promotion from the ranks is no longer an adequate form of training. Just as the field of accounting is recognized as a concentrated course of study, purchasing also must have people who have received specialized training."



S. W. Knabe, purchasing director, Bell & Howell Co., Chicago:

"Basically, we're not going to get to first base until we have demonstrated to business school deans and other university officials that purchasing is a highly specialized element in modern business enterprise, requiring concentrated attention within the curriculum. First, we need to make a clear cut statement of the importance of the purchasing function in American industry. No university is going to offer a course in a field whose importance has not been proved. Purchasing agent groups should make a thorough investigation of the courses that universities are presently offering that might be useful in a purchasing curriculum. Then the groups should offer the services of members as consultants, lecturers and part-time teachers to prove we have a real interest in establishing college level courses in purchasing."

in a purchasing curriculum. Then the groups should offer the services of members as consultants, lecturers and part-time teachers to prove we have a real interest in establishing college level courses in purchasing."

Suggest a Question to:

PURCHASING WEEK Asks
330 W. 42nd Street
New York 36, N. Y.

Meetings You May Want to Attend

First Listing

Packaging Association of Canada—Canadian National Packaging Exposition, Automotive Building, Canadian National Exhibition Grounds, Toronto, Nov. 3-5.

National Association of State Purchasing Officials—14th Annual Meeting, Riviera Hotel, Las Vegas, Nov. 17-20.

1960

Purchasing Agents Association of Indianapolis—Indiana Industrial Show, Manufacturers Building, State Fair Grounds, Indianapolis, April 6-8.

Previously Listed

OCTOBER

Society of Automotive Engineers—National Aeronautic Meeting and Display, Ambassador Hotel, Los Angeles, Oct. 5-10.

National Association of Purchasing Agents, 7th District—16th Annual Conference, Read House, Chattanooga, Tenn., Oct. 11-13.

National Institute of Governmental Purchasing—14th Annual Conference and Products Exhibit, Hotel Sheraton Cleveland, Cleveland, Oct. 11-14.

National Association of Purchasing Agents, 9th District—Purchasing Conference, Sheraton-Kimball Hotel, Springfield, Mass., Oct. 15.

American Production and Inventory Control Society—3rd Annual Convention and Technical Conference, Hotel New Yorker, New York, Oct. 16-17.

American Standards Association—10th National Conference on Standards, Sheraton-Cadillac Hotel, Detroit, Oct. 20-22.

National Association of Purchasing Agents, 6th District—Conference, Dayton, Oct. 29-31.

NOVEMBER

Air Conditioning and Refrigeration Institute—Exposition, Convention Hall, Atlantic City, N. J., Nov. 2-5.

American Society for Metals—National Metal Exposition and Congress, International Amphitheatre, Chicago, Nov. 2-6.

National Electrical Contractors Association—Annual Convention and 5th National Electrical Exposition, Fontainebleau, Eden Rock, Deauville, and Carrillon Hotels, Miami Beach, Fla., Nov. 9-12.

Milwaukee Association of Purchasing Agents—1959 Products Show, Milwaukee Auditorium, Milwaukee, Nov. 10-12.

National Retail Lumber Dealers Association—6th Annual Building Products Exposition, Cleveland, Nov. 14-17.

International Automation Exposition and Congress—Trade Show Building, New York, Nov. 16-20.

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Foreign Perspective

A Dim View for German Automakers

London—U.S. manufacturers should see Britain's remaining restrictions on imports of dollar goods lifted inside a year.

That's the sentiment expressed by chief government officials during a meeting of Commonwealth finance ministers in London recently.

Canada's finance minister Fleming seized the opportunity to launch a powerful criticism. He noted that despite the strength of the sterling area's current financial position, the U.K. and some other Commonwealth countries still have quota barriers against shipment of many dollar goods.

Included in these quotas are such items as textiles and clothing, pharmaceutical products, cheap literature, most fruit—canned and fresh—and cars.

Washington backing for Mr. Fleming's plea for trade relaxation is said by the Canadians to be pretty powerful.

The British just yet won't tie themselves down to a definite date. They say they're working toward the object of complete removal of dollar discrimination, and that they've already moved a long way in that direction.

The Canadians went away from the London pow-wow convinced that the final move was a matter of months.

Cairo—Egypt is taking new steps to wean herself away from dependence on Soviet bloc barter deals.

She'll do this by setting up a system of currency premiums on exports going to the Western world. The ensuing encouragement of West-bound exports should better her competitive positions in the free markets of the world.

The schedule of premiums indicate, chiefly, a drive for more British pounds and American dollars. The tourist industry, for example, will enjoy a premium of 27.5% which should make Egypt more attractive pricewise for traveling Americans.

The highest premium—29.03%—will go to payments in free currencies for Egypt's burgeoning exports of raw cotton, cotton and silk yarns, textiles, and silk fabrics. All other exports to free currency countries will get a 17.5% premium.

Excepted from the schedule of premiums are those items which are unimportant to free currency countries or for which Egypt has little trouble getting rid of.

Bonn—The hassle between the "common market" and the British-led "free trade—outer seven area" has automakers worried here.

Spokesmen for the industry already are talking about the possibilities of establishing production plants in the free trade area.

They note that 32% of total 1958 automotive exports from Germany went to the outer seven countries—compared to the only 15% that went to their own common market region. The feeling is that if the two trade blocs don't combine, German exports are bound to drop.

The 20% tariff reduction planned by the free trade group for July 1, 1960 have the Germans particularly worried. It's bound to give British exports a fresh boom.

The Germans are worried about intra-common market auto trade, too.

Both Italy and France maintain strict quotas and high import tariffs (47 and 35% tariffs respectively). Additionally, Italy grants a tax exemption for six months for Italian-made cars.

All these make it difficult to increase German auto exports to her common market neighbors.

Brno, Czechoslovakia—International trade fairs aren't the exclusive province of the wealthy nations of the world.

Little Czechoslovakia has just finished a successful run of its "first international fair" here in this second largest city of the country.



RENAULT has a U.S. customer for every one of the cars shown above at Newark pier. Small cars pace France's bid for American consumer and industrial markets.

France Sees Brighter Future in U.S. For Export of Its Industrial Products

Paris—France, lady of fashion and purveyor of perfumes and liqueurs, has donned overalls in a new pitch for U. S. business.

Dazzled by their sales record to the U. S. in the past 18 months, the French now see a bigger future than ever before in exports of industrial products and other manufactured goods to American markets.

Since 1955, France has climbed from 16th to 11th in the list of world exporters to the United States and in 1958 sold \$300 million worth of goods here. Aiming to rise still further, the French are gradually switching from their traditional role of supplier of luxury items to that of a big scale industrial exporter.

Main items to be offered in the U. S. in coming months are those that made the best showing in the past year—automobiles, steel, chemical products, aluminum, and glass.

Also to be pushed are such items as tires, industrial and military electronics equipment, small refrigerators and special, custom-built machinery.

Much emphasis will be on specialties. With prices often high, in spite of last January's 17% devaluation of the franc, French producers feel their only chance is with prestige items or those not manufactured in the United States.

For French industry, traditionally geared to supply the home market and overseas territories, a plunge into the highly competitive U. S. market place is already news. More significant is the fact that old standbys such as perfume and liqueurs are being elbowed out of a comfortable lead by products of French heavy industry.

No. 1 French export to the U. S. this year will continue to be the small cars that brought \$86.5 million into France's foreign-exchange coffers in 1958. In the first six months 1959, French auto makers already had earned \$78.8 million in the U. S. Faced with lagging home sales and the threat of competition from Detroit's small models, French makers are making a hard push on U. S. advertising and sales.

Government-owned Renault leads the French auto industry in the U. S., with sales of 540 compact Dauphine cars daily by its 1,000 coast-to-coast U. S. sales points. Renault hopes to keep its lead, mainly through a splashy advertising campaign featuring the Dauphine's low operating cost matched with traditional French design prestige.

After Chrysler took 24% of Simca's capital stock last year, sales of Simca Ariane and Aronde models in the U. S.

have shot up. In the first half of this year, Simca sold 20,000 cars, racking up a 160% gain over the same period in 1958. Backed by Chrysler's powerful sales organization and bolstered by a big advertising campaign, Simca will try to catch up with Renault.

Exports of the French steel industry were inflated by the impending U. S. steel strike during the first half of this year. However, the industry plans to push its traditional exports of reinforcing steel in coming months.

French manufacturers planning to penetrate new fields in the U. S. this year include a group of refrigerator makers. They are now studying results of a survey that showed a comfortable market in the U. S. for small refrigerators for trailers, boats, and bungalows. Several producers will try their luck in coming months.

Another new feature is that medium-sized French producers are losing their inferiority complex about exports to the U. S. Egged on by the government, which needs the foreign exchange to stabilize the French economy, small and medium-sized manufacturers have ordered market surveys in the U. S. on individual or industry-wide basis. Results were often encouraging, and the coming year should see a number of these producers striking out in U. S. markets.

Best sign that French exports to the U. S. are on the way up is that the franc-dollar committee set up by the French Manufacturers' Association to encourage timid exporters is now almost wholly occupied in helping U. S. manufacturers invest in France.

Britain's Capital Expenditures Drop but Exceed Expectations

London—British industry's 1959 expenditures on capital equipment are expected to exceed first-of-the-year predictions, but will fall short of 1958 figures.

A new Board of Trade survey indicates manufacturing segments of industry probably will stick to January estimates—capital expenditure down about 10% from last year.

Distribution and service trades, however, indicate their capital spending will be about a sixth higher than 1958, rather than a twelfth, as earlier forecast.

Capital spending next year, according to the survey, is expected to be 5% lower than 1959 in manufacturing, and remain level or decline slightly in the other industries. In recent years this last group has shown sizable, annual increases in capital spending.



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U. S. Promise to Renegotiate Wool Tariff May End 'Race to the Ports'

Britain's Wool Exports to U. S. Have Dropped From 56.1% in 1956 to 33% in First Half 1959

London—Prospects that renegotiation of the U. S. wool tariff quota might end the "race to the ports," thus improving Britain's declining share of the American market, have been welcomed here by the woolen industry.

After repeated appeals, Prime Minister Harold Macmillan secured President Eisenhower's promise that tariff concessions on wool will be renegotiated.

Britain's share of U. S. wool imports has gone down from 56.1% in 1956 to 33% the first half of 1959.

Particularly difficult for British wool traders is the tariff law feature raising rates to 45% when imports exceed 5% of average U. S. yearly domestic output in the three previous years.

The result is that each exporting nation rushes to get its wools into the U. S. before the others so that it will get a bigger share of lower tariff allowance.

Style Fabrics at Disadvantage

British manufacturers, specializing in highly styled fabrics which can't be rushed, are at a disadvantage in competing against Japanese, Italian, and other producers whose lines are more mobile. This year, for example, a flood of Italian fabrics won the so-called "race to the ports," bringing an unusually early closing of the quota—but not until Italy had been able to profit from the lower rates.

Realizing that changes in the law will, at best, require 18 months to take effect, and that they can expect powerful opposition from U. S. wool producers, the British are nevertheless optimistic that trade will be liberalized and that Britain soon can hope for a bigger share of the woolen market in the U. S.

International Fair Set For Plastics in Holland

Utrecht, Holland—Eight hundred exhibitors from 20 countries will display their wares at the plastics industry's international fair to be held here Oct. 19 to 26.

Items on exhibit will include raw materials, semi-manufactures, technical finished products, machinery, and tools.

The fair will be held in conjunction with a world plastics congress that also will meet here at the same time, under the auspices of the Nederlandsche Vereniging van Materiaal Kennis (Netherlands Association of Materials-Knowledge), the Royal Institute of Engineers, and Royal Chemical Association.

British Wholesale Prices Gain from July to August

London—The British Board of Trade's index of basic material wholesale prices rose to 101.9—a gain of 0.9% from July to August.

This was due mainly to a 10% increase in raw-rubber prices, 8% increase in price of raw wool, and rises in copper, linseed oil, and zinc prices. Raw cotton, cotton linters, groundnuts, and palm oil dropped in price in the same period.

The wholesale price index of home market sales of manufactured products was almost unchanged at 111.4.

Aluminium Ltd. Increases Output to Meet Demands

Montreal—Aluminium Ltd. is raising its production sights to meet increasing demand from customers in North America, the United Kingdom, and overseas.

The big aluminum producer announced last week it is reactivating idle facilities at Beauharnois, Quebec, and Kitimat, B.C., to increase Canadian smelter production by 33,000 tons a year. Aluminium's Canadian smelters have been operating at a 500,000-ton rate out of an annual capacity of 770,000 tons.

'Mini-Minor' Car to Retail for \$1,000

London—Production of British Motors Corp.'s revolutionary new "Mini-Minor"—expected to take over completely the "smaller-than-small" car market—is scheduled to reach 4,000 per month by end of 1959.

Front drive, water-cooled transverse engine, and all-round, independent lube-free rubber suspension are featured in this baby car, which will retail at less than \$1,000, do up to 50 miles per gallon, hit speeds of 70 mph.

The 1,270 lb. Mini-Minor claims road-holding characteristics superior to any small car in

the world, due to front drive, small wheels, independent light-weight suspension, and low center of gravity.

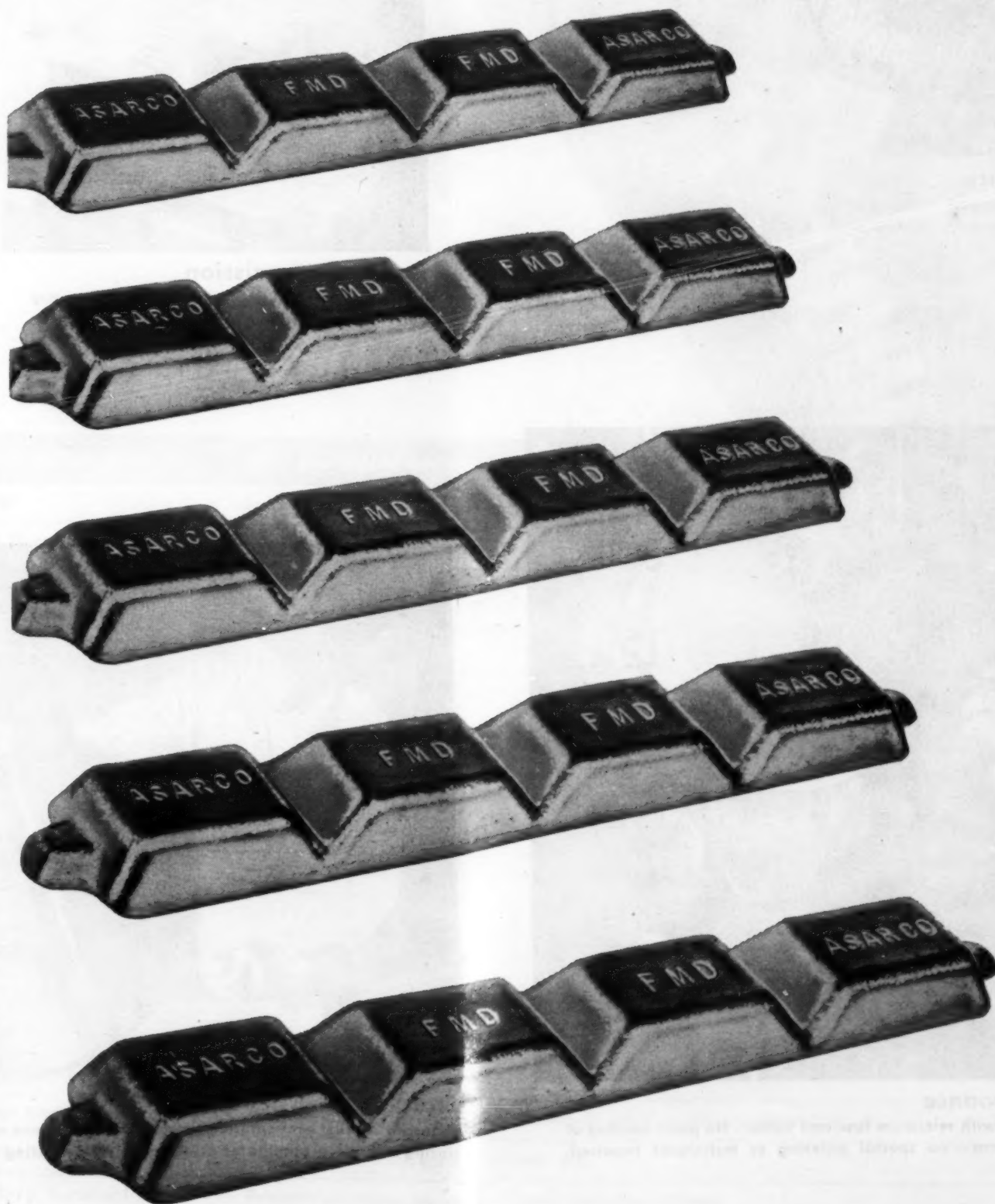
Over-all dimensions: 100 in. long, 55 in. wide, and 53 in. high. Body and chassis are of integral construction.

Russia Awards Contract

London—The Soviet Union has awarded a \$700,000 contract for woolen spinning machinery to the British company, Platt Brothers, a subsidiary of Stone-Platt Industries.

Your SINGLE-SOURCE for non-ferrous metals. Federated brass, bronze, aluminum, zinc, lead, solder, babbitts, plating materials, galvanic anodes, lead products. All rigidly controlled in production through processes developed by Asarco's Central Research Laboratory to guarantee complete and strict adherence to specifications, order after order. All promptly available through 21 sales offices, 11 plants, a network of strategically located stock points. All backed by a sales engineer force with long and thorough experience in non-ferrous application. Concentrate all your non-ferrous purchases with Federated Metals Division of American Smelting and Refining Co., 120 Broadway, New York 5. In Canada: Federated Metals Canada, Ltd., Toronto and Montreal.

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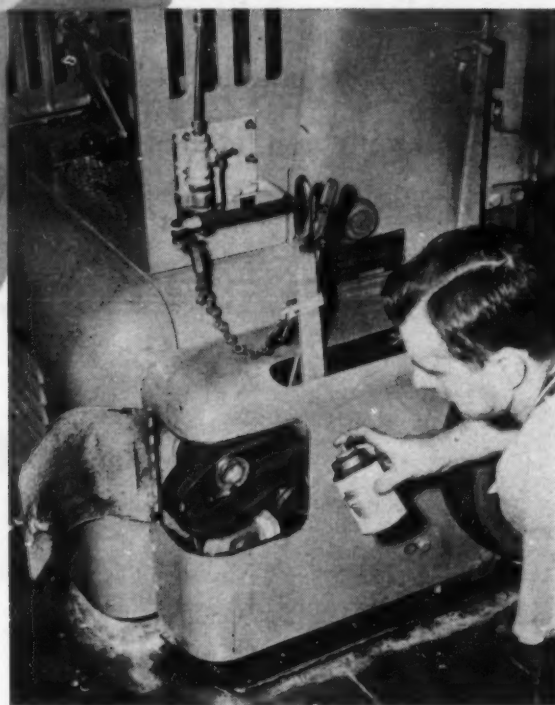
What You

• What



Equipment Maintenance

Aerosol lubricants get into deepest crevices — hands never touch moving gears and wire cables.



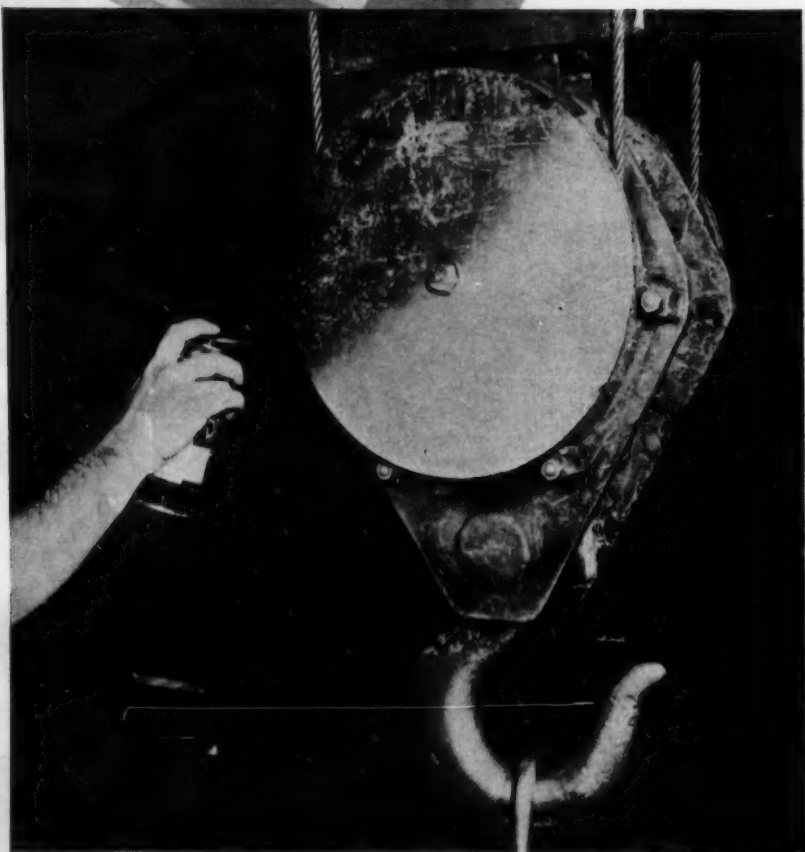
Power Transmission

Sprayed belt dressing uniformly coats entire belt — and is applied while the belt is running.



Inspection

Dye penetrant aerosol and developer reveals production defects — cans easily



Plant Maintenance

Hoist is repainted with minimum fuss and bother. No paint brushes or spray guns to clean — no special painting or techniques required.



Storage

Transparent rust preventative protects parts between operations or during storage — eliminates all the dangers of rusting or corrosion.



Production

Mold release spray — takes seconds

Should Know About Industrial Aerosols

Purchasing men will be hearing more about industrial aerosols. Packagers say industry will be buying 8-10 million cans of aerosol products a year by 1962. Companies are switching to aerosols to do the job because they offer convenience (can goes to the job), less downtime (they can be applied to moving machines), **safety** (no flammables in open cans, no fingers touching moving parts), **penetration** (spray gets into all crevices, places brush can't reach), and **cleanliness** (no cans, brushes to clean).

— Data: Aerosol Division, Chemical Specialties Mfrs. Association, Inc.

they can do

• How much they cost

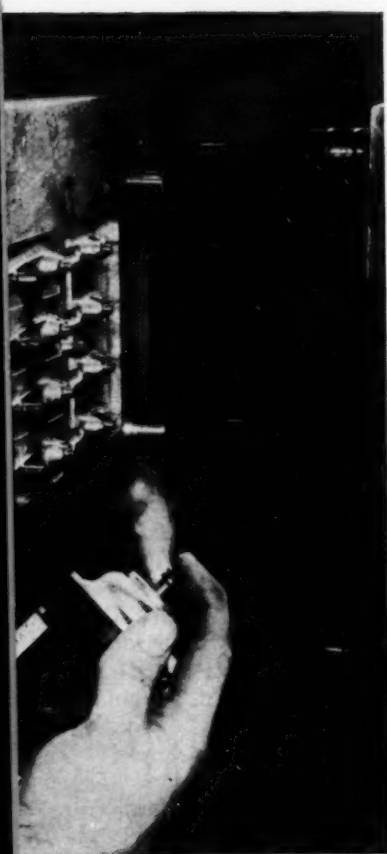
• Where you can use them



gets into smallest cracks, re-
vel to the part to be tested.



UNIVERSAL AEROSOL sprays almost any liquid. Solution in glass bottle is sprayed by propellant in replaceable can. Unit sells for \$2.65; propellant refills cost \$1.32.



cuts rejects, reduces stick-
to apply with mold in place.

When to use them	Why you should use them	What they cost*	
Paint	Sprays even coat, reaches inaccessible spots, no paint brush, spray gun to wash.	\$1.35	16 oz.
Belt Dressing	Can apply while machine is running — gives complete coverage.	1.30	12 oz.
Degreaser	Eliminates dismantling machine, cuts mess.	1.20	16 oz.
Lubricant	Gets into all crevices, provides complete penetration.	1.95	16 oz.
Engine Starting Fluid	Makes it easier to start gas or diesel engines.	1.80	12 oz.
Insulating Spray	Protects against moisture, grease in electrical apparatus.	1.35	16 oz.
Inks	Layout ink dries in seconds, eliminates smearing.	1.45	12 oz.
Rust Cutters	Gets into hard-to-reach spots.	1.25	16 oz.
Protective Coatings	Complete coverage protects metals from rust and corrosion. Aerosol goes to job.	1.10	16 oz.
Anti-static Spray	Prevents static electricity on moving belts, rugs, etc.	3.00	16 oz.
Dye Penetrants	Used for non-destructive testing — gets into tiny cracks to expose defects.	4.50	12 oz.
Cable Spray	Lubricates cables, open gears, by getting into recesses. Eliminates touching moving parts.	1.25	16 oz.
Fire Extinguisher	Supplementary extinguisher to spot around plant.	1.75	16 oz.
Mold Release	For all types of molds — speeds operation, cuts downtime, prevents sticking.	1.45	12 oz.
Paint Remover	Eliminates brush, goes to job.	1.80	12 oz.
Color Coding	19 different colors allow easy coding of stock, production materials, etc.	1.35	16 oz.
Protective Film	Keeps dirt from blueprints, papers, etc.	1.35	16 oz.
Battery Terminal	Prevents corrosion on terminals and hold-down clamps.	1.45	12 oz.

*Average price to industrial user in single can quantity.

Twin Cities P.A.'s Hear Anderson Warn of Major U. S. Fiscal Crisis

St. Paul, Minn.—The United States may be facing a serious fiscal problem within the next 12 months, Elmer L. Anderson, president of H. B. Fuller Co., St. Paul adhesive manufacturer, told the Twin Cities Association of Purchasing Agents first fall meeting here, Sept. 16.

"Our country," he said, "may be faced with a fiscal crisis of major proportions."

Referring to recent news stories and a discussion he had had with a top government financial expert, Anderson said he was convinced "the government isn't going to stand still" without taking action to ease the situation.

Anderson, a former Minnesota state senator and possible Republican gubernatorial candidate in 1960, told the more than 250 members present that "temporary cures will not be enough. Constant expenditures beyond income have to stop and every effort must be made to cut down a national debt which has skyrocketed."

"If a severe money shortage develops," he added, "it would mean a sharp rise in interest rates and a squeeze on borrowers. The question then," he continued, "becomes one of how to keep the economy in balance so as to prevent a recession."

He said he felt government should borrow on a longer-term basis.



ELMER L. ANDERSON

"Short-term loans at current high rates of interest," he said, "will have a great inflationary effect."

Anderson was featured speaker of the evening along with George Quinn, of the Minneapolis Star and Tribune Co.

Quinn, who is national president of the Newspaper Buyers' Group, said, "Men in the (purchasing) field are constantly forced to be alert to each rise in the price of goods they buy since it adds to the inflationary spiral."

"All of us are watching it closely," he continued, "and most purchasing agents have asked suppliers to hold the line as much as possible. We have to buy, but we are constantly on guard."

"This isn't a 'marriage proposition' between ourselves and suppliers," warned Quinn, "and we continue to look around."

"In this area," he added, "trends have pointed a little on the upward side, but the market has firmed up a bit."

Buffalo Buyers' Forum Discusses Construction

Buffalo, N. Y.—The Purchasing Agents Association of Buffalo opened the fall season with a forum on "How to Buy Construction." Representatives of the construction and building-supply trades were on the panel.

The work of the Better Business Bureau of Western New York also was reviewed by bureau officials.



MAINE'S steering committee includes, seated left, E. O. Barsness, D. K. Cooper; standing, J. F. Robjant, O. L. Chilcoat, C. M. Thomas, P. H. Day.

Gov. Clauson Kicks Off Maine P.A. Association

Augusta, Me.—Maine's Gov. Clinton A. Clauson gave the newly formed Maine Purchasing Agents Association his personal sendoff at the group's organizational meeting here Sept. 25.

Gov. Clauson pointed out how associations such as the Maine P.A.A. can contribute valuably to the welfare of their states.

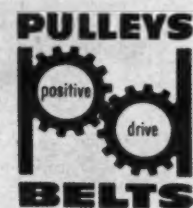
The association, in the process of organization since last June, will approve a constitution, by-laws, officers.

Robert E. Shillady, former N.A.P.A. president, attended.



FAMOUS QD HUB

with its 2 Golden Screws. The clamp screw simplifies installation and assures permanent alignment. The set screw prevents "key drift."



Worthington Introduces

POSITIVE DRIVES

newest concept in power transmission with advantages of both chain and belt

Positive Drive is the newest concept in mechanical power transmission. It makes possible savings in weight, space and bearing size without the sacrifice of efficiency. Amazingly versatile, Positive Drives can be used for applications from fractional up to 600 hp and speeds from 100 to 10,000 rpm.

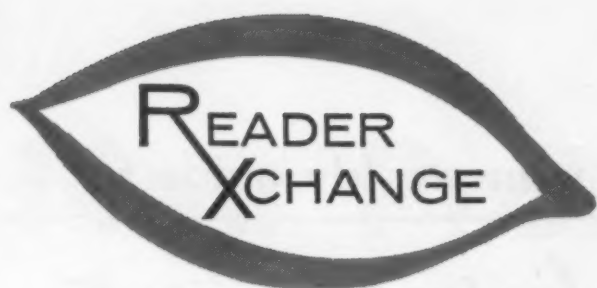
Some of the many benefits of this new drive include:

Increased productivity	No lubrication	Compact	Synchronization
No stretch	Lightweight	Wide speed range	High mechanical efficiency
Low tension	Quiet	Wide horsepower range	Easy installation
No backlash	No vibration		

Want more facts? Write for your copy of a 64-page Positive Drive Manual. Address Worthington Corporation, Section 79-24, Oil City, Pa. Ask for Bulletin 7950-B3. In Canada: Worthington (Canada) Ltd., Brantford, Ont.

*T.M. The Goodyear Tire & Rubber Co.





1. Firm Cuts Out Change Notice for Less than \$10 2. Vendor Recognition Aids Mutual Cooperation

1. Idea Saves On Paperwork

Here's a time saver in the paperwork department to demand your interest and attention. It was offered by an employee in the purchasing department of Ryan Aeronautical, San Diego, Calif.

Jane Crutsinger, purchasing department clerk, suggested the elimination of change notices on orders for amounts less than \$10. It received the approval of Jarvis H. Stromberg, general supervisor, and now is in use.

The fact is, many purchase orders are on an "advise price" basis and a change notice is subsequently issued to show the price so the order may be paid for and closed. This change notice requires the same reproduction and distribution as the original purchase order.

Through the suggestion of Miss Crutsinger, instead of issuing change notices to show the price or orders for amounts less than \$10, the buyer signs the vendor's invoice when received by the accounts payable department, indicating over his signature that the order was closed.

The new system eliminates considerably the amount of paperwork on such small items.

Central Michigan P.A.'s Hear a Sales Executive Advise on Interviewing

Lansing, Mich. — Salesmen should earn their interview time by bringing buyers information for more efficient plant operation, a sales executive told Central Michigan purchasing executives.

Speaking before the Central Michigan Purchasing Agents Association here Sept. 15, W. C. Thompson, Detroit Ball Bearing Co. general sales manager, said:

"The way for a salesman to make certain he gets an interview is to bring something constructive to the prospective buyer." The salesman, Thompson said, should "know what the customer does in his plant to avoid extraneous conversation."

Urges Consolidation

Thompson urged buyers to consolidate purchases of small items with one company, if possible, rather than splitting them up. That way, he added, at least one company can make a profit.

He said he believed the stigma of back-door selling can be eliminated if salesmen keep purchasing agents informed of what supplies have been filled.

Thompson said his company was "not enthusiastic about reciprocity because there is little to gain."

"Though we deal with the Big Three auto companies, our salesmen can't drive all three makes. . . . But," he added, "we don't want any of our people driving foreign cars!"



TWO-WAY BOOST for both supplier and purchasing is result of idea recognizing 'Vendor of the Month' for contributions to cost reduction.

2. Star 'Vendor of Month' Featured

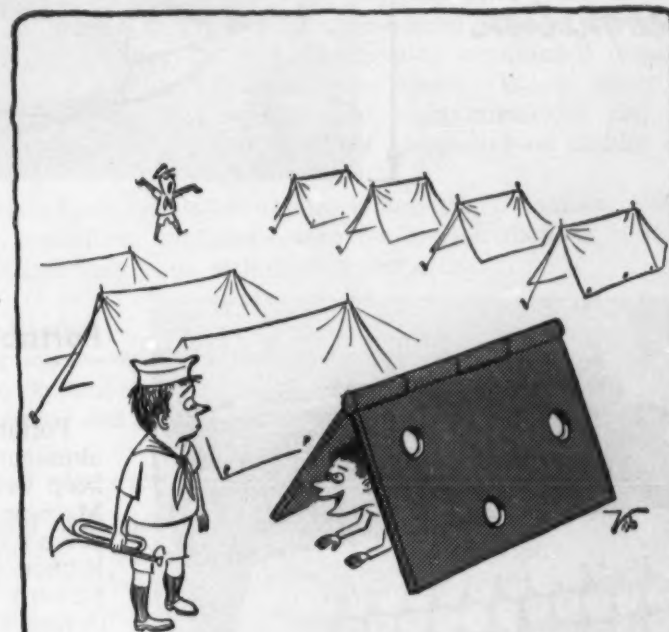
A "Vendor of the Month" idea recommended by the Purchasing Department of the Major Appliance Division, General Electric Co., Louisville, Ky., has resulted in a profitable two-way boost for purchasing and suppliers.

At the Louisville plant, G.E. opened a special room adjoining its lobby that is used in conjunction with the program. All visitors are invited in this room while waiting for the person they want to see.

The vendor who contributes most to products through cost reduction or value analysis activity during the current month is

awarded a framed certificate designating him as the outstanding supplier. His company's name is etched on an Honor Roll which is hung prominently in the room where a special display shows his accomplishment.

This team-work project helps the company get many suggestions on improving the quality and reducing the cost of its products. On the other hand, it gives suppliers an added incentive. Through this system they not only increase good relations with G.E., but also bring additional publicity to their own companies.



"EVERYTHING HINGES ON HAGER!"

We'll make **IT** for you! For standard (5,000 different types and sizes) or special hinges, write or wire: C. Hager & Sons Hinge Mfg. Co., Victor & "I" Street, St. Louis 4, Mo.
In Canada, Hager Hinge Canada Ltd., Kitchener, Ont.

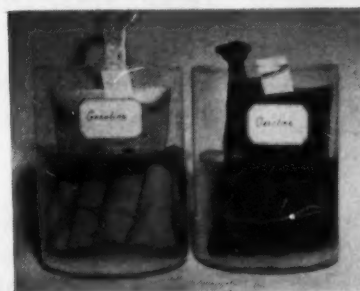


Founded 1849, Every Hager Hinge Swings on 100 Years of Experience



FLEXIGLUVS—Hood's amazing new Koroseal work gloves—are specially made to resist the damaging effects of solvents and light oils.

Ordinary plastic gloves become stiff and unusable when they contact many solvents and oils. But **FLEXIGLUVS** stay soft and flexible after hours of submersion in the strongest solutions. (see photos)



SUBMERSION TEST PROVES FLEXIGLUVS' SUPERIOR RESISTANCE

Ordinary plastic glove (left) and Koroseal **FLEXIGLUV** (right) submerged in gasoline. After only eight hours, the ordinary

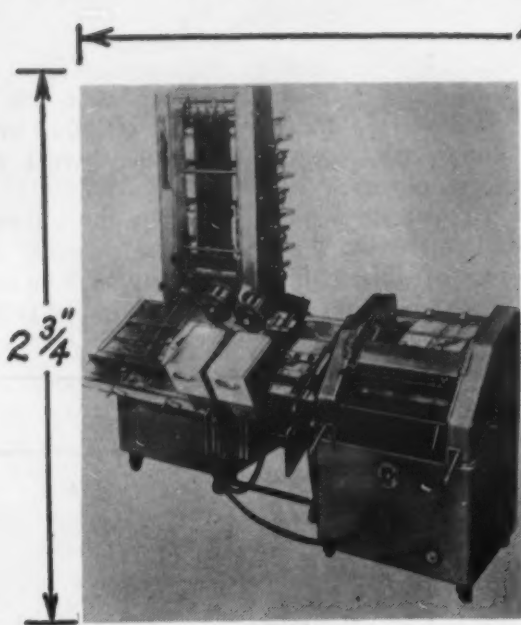
plastic glove is so stiff it can't be used. After forty-seven hours, the Koroseal **FLEXIGLUV** is still soft and flexible.

If workers in your plant handle alkalis, salts, solvents, oils, greases, detergents, dyestuffs or other strong solutions, write today for complete information on new Koroseal **FLEXIGLUVS**. Hood Industrial Gloves, Watertown 72, Massachusetts.

Hood industrial gloves

Here's your weekly guide to . . .

*Picture
aids
product
recognition*



Collator

Has High Speed

Vertical collator is available in combinations to pick up between 18,000 and 54,000 sheets per hour. It handles any size sheet from 6x7 in. to 11x17 in. The 4 station model collates 4,500 sets per hour or will staple and bind 4,500 booklets an hour. It comes in 4, 8, 12, and 16-station models. All models are on casters to give maximum office flexibility. Price: \$4,263 to \$24,983. Delivery: 90 days.

Mendes Corp., New Bedford Industrial Park, New Bedford, Mass. (P.W., 10/5/59)

*Size permits you to paste
on 3x5 card
Copy gives only pertinent
details, cuts your
reading
How much it costs and
how soon you can get it
You'll know when item
appeared*



Portable Typewriter

Weights 12 lb.

Portable typewriter uses aluminum and plastics to keep weight down to 12 lb. Machine rests on desk and doesn't sit on knobs or legs. Ribbon-spool cover rolls forward during ribbon change and servicing. Available in color.

Price: \$141.50. Delivery: immediate.

Smith-Corona Marchant, Inc., Syracuse 2, N. Y. (P.W., 10/5/59)



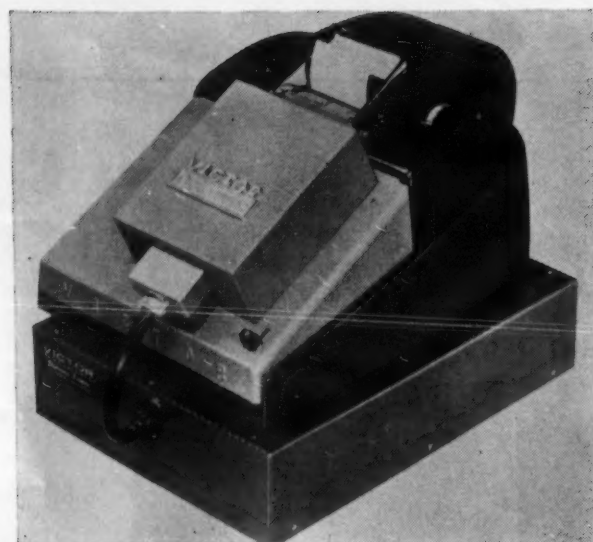
Offset Duplicator

Fits on Table-top

Table-top offset duplicator is just over 2 ft. square. It can produce line work as well as halftones and solids. Image area is 9 1/2 x 13 in. and it can handle a variety of papers without adjustment. Speed is up to 7,800 copies per hour.

Price: \$1,479. Delivery: immediate.

A. B. Dick Co., 5700 W. Touhy Ave., Chicago, Ill. (P.W., 10/5/59)



Scanning Printer

Takes High Impedance

Solenoid-actuated scanning printer is especially designed to print data from high impedance decimal sources. Operating on +10v. dc signal input, it scans and prints numbers stored in glow counter tubes, digital ohmmeters, Nixie display counters, etc.

Price: \$795. Delivery: 30 days.

Victor Adding Machine Co., 3900 N. Rockwell St., Chicago, Ill. (P.W., 10/5/59)



Photostat Paper

Gives Direct Positives

Direct positive photostat paper eliminates extra step of making negatives in producing positive prints. It is available in roll lengths of 150, 350, and 500 ft. in widths up to 18 in. Standard photostat machines must be converted to use the new paper.

Price: 350-ft. roll, \$21.20 (8-in. width) to \$46.20 (18 in.) Delivery immediate.

Photostat Corp., Rochester, N. Y. (P.W., 10/5/59)



Copying Machine

Makes Copies for 1 1/4¢

Diazo copying machine is size of a typewriter and copies translucent and semi-translucent originals for about 1 1/4¢. It will copy originals 11-in. wide by any length. It is self-contained, including exposure and development sections and works on 115v.

Price: \$295. Delivery: Nov. 15.

Charles Bruning Co., Inc., Mount Prospect, Ill. (P.W., 10/5/59)



Intercom

Tells Who's Calling

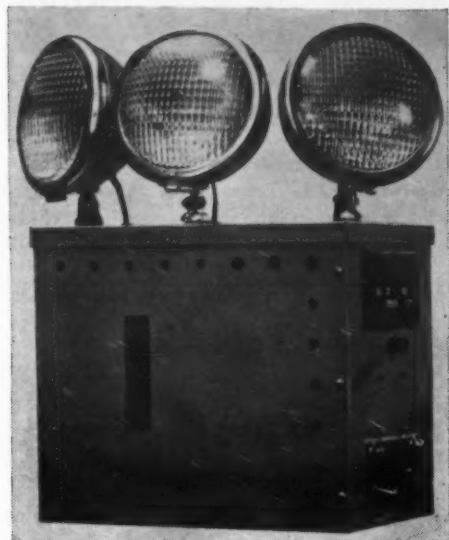
Fully transistorized intercommunication system features hands-free operation and a "magic eye" that tells who's calling and leaves a message. It can be linked to a central dictating facility, paging system, etc. Gives complete privacy.

Price: From \$250 (2 masters, 2-3 passive stations). Delivery: 2-4 wk.

Dictograph Products, Inc., 95-25 149th St., Jamaica, N. Y. (P.W., 10/5/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Emergency Light

Turns On When Power Goes Off

Emergency lighting system can handle four 25-w sealed-beam floodlights. The lights turn on instantly and automatically whenever the power supply goes off. When the power supply returns, the lights turn off and the unit begins recharging. Unit can be mounted on the wall, suspended from the ceiling or placed upon the floor. The self-contained unit measures 12¼ x 11¼ in. and weighs 60 lb.

Price: \$72.25. Delivery: immediate.
York Lighting Inc., 339 W. Philadelphia St., York Pa. (P.W., 10/5/59)

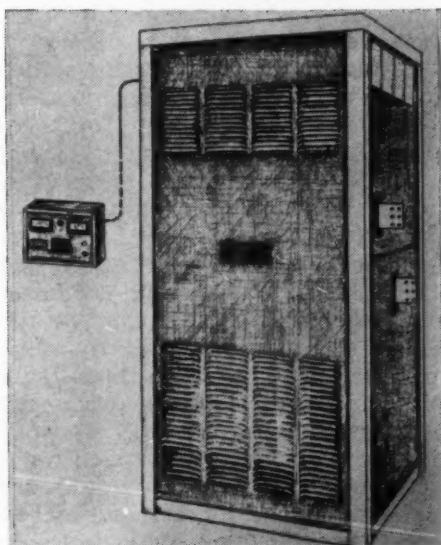


Safety Helmet

Gives Full Face, Chin Protection

Safety helmet with a combination acetate face protector and soft vinyl hood is designed to give full face and chin protection while working with flying particles such as sparks, dust, powder and chips, paints, etc. The headband is adjustable for marked sizes of 6 to 8 and the entire unit weighs less than 7 oz. The hood and bib are snapped into the top and bottom of the face protector by means of plastic bands equipped with snap buttons.

Price: \$3.75. Delivery: immediate.
Paulson Mfg. Co., Fallbrook, Calif. (P.W., 10/5/59)

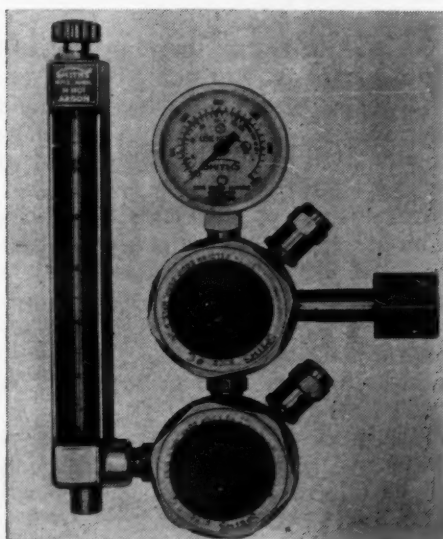


Rectifier

Regulates Within $\pm 0.1\%$

Automatic selenium, germanium, and silicon rectifiers are designed for laboratory, electroplating, computer, steel mill, and other industrial applications where close regulation is needed. They provide constant voltage or current within $\pm 0.1\%$ regardless of load variations from 0 to 100% or line variations within $\pm 10\%$. Available in ratings from 100 w. up to 500 kw. with normal convection, forced air, oil convection or oil circulating cooling.

Price: from \$100. Delivery: 4 wk.
Djordjevic Engrg. Co., 1933 N. Damen, Chicago 47, Ill. (P.W., 10/5/59)



Flow Meter Regulator

Saves on Gas Welding Costs

Flow meter regulators are said to save on amount of argon and helium gases used in inert welding processes. The unit combines a special two-stage regulator with separate direct-reading flow meters for argon and helium. Compensated for back pressure, the flow meters are accurate to within 2% of the full scale reading. Flow range for the argon meter is 60 standard cfh.; for the helium meter, 200 standard cfh.

Price: \$66.50. Delivery: immediate.
Smith Welding Equipment Corp., 2633 Fourth St. S.E. Minneapolis, Minn. (P.W., 10/5/59)

October 5-11

Product Perspective

Promising Carbides, Borides Fit Future Technology

Extremes of temperature and pressure, radiation, severe acceleration and shock loads, corrosion: These comprise the environment presented by tomorrow's technology.

Materials to withstand this kind of an environment will come from a number of areas: refractory alloys, ceramics, even plastics.

As of now, for many applications, the transition-metal carbides and borides look promising. They are high-temperature resisting compounds based on carbon and boron. Both are common alloying agents. Boron strengthens steel; carbon hardens steel. But assemble the right conditions and both will join with a metal to form a true chemical compound—a carbide or a boride.

Most of the transition metals—tungsten, zirconium, chromium, molybdenum, titanium, vanadium, tantalum—combine with carbon or boron to form a range of compounds, each with distinct properties.

Here's what they offer:

- High melting points—up to 7,000 F.
- Resistance to thermal shock, erosion, and oxidation.
- Good dimensional and chemical stability along with high hardness.

Here's an idea of what compounds are available and what they can do:

• **Chromium and molybdenum borides:** Their service temperature ranges from 1,800 to 2,000 F. You get excellent strength and resistance to oxidation and thermal shock. Molybdenum boride powder is used for brazing molybdenum and tungsten in electronic components.

• **Chromium monoboride.** Low volatility and high neutron reflectivity make it a good bet for nuclear applications. As a coating it offers high-temperature erosion and corrosion resistance. Cermets—combined ceramics and metals—based on chromium boride show useful high-temperature properties and high hardness.

• **Zirconium boride.** It's useful in mechanical parts subject to high-temperature erosion. Pumps and molds subject to molten aluminum in die-casting machines are some examples.

• **Titanium diboride.** It has possibilities as a cathode material in aluminum reduction cells. Its virtues in this application are electrical resistivity and corrosion resistance. There's also possibilities for the material as a catalyst in the synthesis of hydrocarbons.

• **Tungsten diboride.** Added to tungsten, it improves the metal's workability.

• **Tungsten carbide.** This is the oldest of the carbides and is used mostly for cutting-tool tips. Recent availability of high purity tungsten carbide by Union Carbide Metals looks to make possible still better cutting tools.

• **Titanium carbide.** Application: liquid metal pump components for atomic energy, instrument bearings, hard-facing alloy compositions, drawing dies, precision pressure casting machine parts, etc.

• **Chromium carbide.** Probably has the best high-temperature oxidation resistance of all the carbides. Gage blocks and extrusion dies are two applications. Future applications may include high-temperature bearings and corrosion-resistant pump and valve components.

• **Tantalum carbide.** In cutting tools, it cuts cratering (depressions worn into the tool). It also may find an application as incandescent lamp filaments.

Looking ahead, the metal borides and carbides in the form of coatings may solve many problems. Most present uses, as outlined above, are structural. But as coatings they offer protection to metals and non-metals from corrosion, oxidation, and erosion. Temperatures may go as high as 2,000 F.

There's the possibility, too, for the materials to be used as low-density, high efficiency insulations for thermal, electrical, and acoustical purposes at temperatures ranging up to 3,000 F. All are presently under investigation.

Metals briefs: Ford Motor Co. researchers have come up with a way to make an alloy steel with an ultimate tensile strength in the 400,000 to 500,000 psi. range without interfering with ductility. Previous theoretical limit was 350,000 psi. Ford calls its process Ausform. It starts with a modified SAE 4340 alloy. The alloy is given an extremely heavy mechanical working at 800 to 1,050 F.; the grain structure then is transformed and finally the alloy is tempered.

Manganese wrought iron developed by A. M. Byers Co. offers high impact strength at sub-zero temperatures. You can get it in tubular and flat-rolled forms.

Purchasing Week Definition

Anodized Aluminum

Hard, protective aluminum oxide coating is formed on aluminum or its alloys by treatment in an acid solution. Coatings are also good insulators, have high heat resistance. The coatings range in thickness from 0.0001 to 0.0006 in.

Coatings have these functions: 1. protect the base metal from corrosion, 2. protect highly polished reflector surfaces from mechanical damage and straining, 3. act as dielectric on aluminum foil in electrical condensers, 4. as a base for applying adherent films, 5. as an absorb-

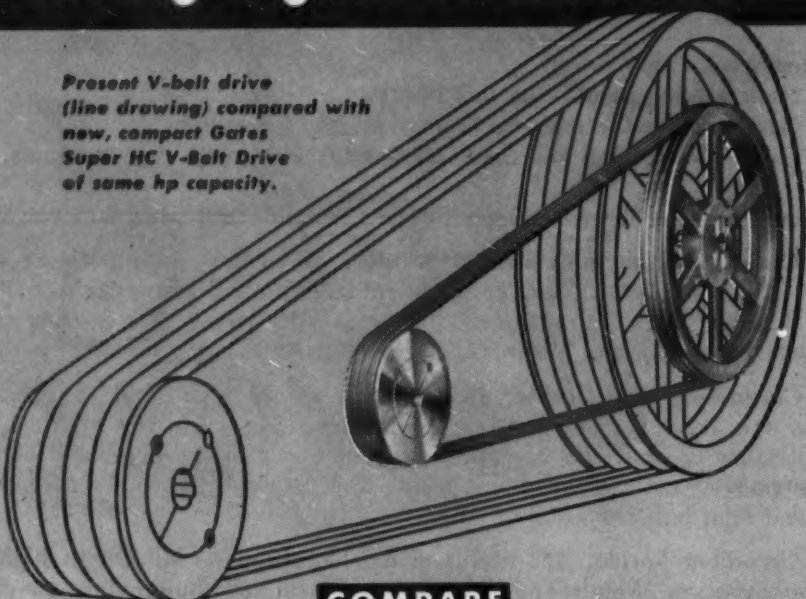
ent for decorative dyes to color metal.

Baths for anodizing aluminum may be composed of boric, chromic, sulfuric, or oxalic acid. Thickness and porosity of deposits depend on the bath and bath conditions.

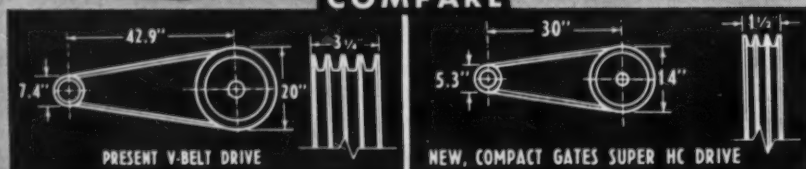
Porous coatings can be sealed with steam, hot water, or chemical treatment. Porous coatings are suitable bases for paint and lacquer. But coating performs same function at lower cost for most applications. (P.W., 10/5/59)

Designing NEW DRIVES?

Present V-belt drive (line drawing) compared with new, compact Gates Super HC V-Belt Drive of same hp capacity.



COMPARE



Save up to 20%

with new high capacity V-belt drive

When you change the whole drive—both V-belts and sheaves—remember: The cost of a Gates Super HC V-Belt Drive is as much as 20% less than the cost of present V-belt drives of the same horsepower capacity.

A development of Specialized Research in the world's largest V-belt laboratories at Gates, the new Super HC V-Belt makes possible the most compact, lightest-weight, lowest-cost multiple V-belt drive you can put on any machine!

Cuts drive space as much as 50%

With Gates new Super HC V-Belt, sheave diameters and widths can be reduced 30% to 50%, center distances 20% and more. Bearing load is lightened and total space occupied by the drive may be cut as much as 50%.

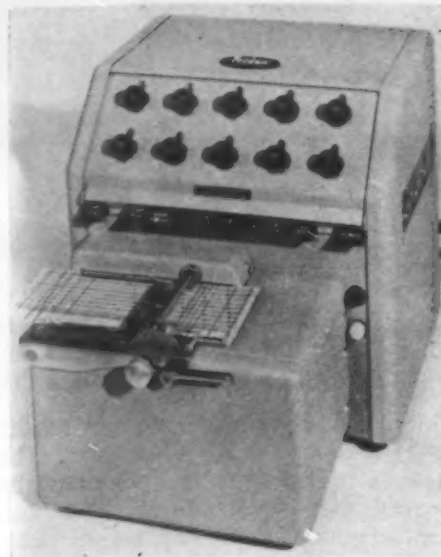
"The Modern Way to Design Multiple V-Belt Drives" is an informative handbook on the Super HC Drive, available from your nearby Gates Distributor listed in the Yellow Pages of your phone book.



The Gates Rubber Co., Denver, Colorado
Gates Rubber of Canada Ltd., Brantford, Ont.
World's Largest Maker of V-Belts

TPA 439

Gates SUPER HC V-BELT Drives



INPUT UNIT of Friden "Collectadata", left, reads information from punched card and relays it to central output that punches a tape for further processing of the data.

Two New Data Processing Systems Keep Immediate Tabs on Production

Management now can find out what the production worker has done minutes after the job is completed thanks to similar machines just unveiled by two of the country's biggest data processing equipment manufacturers.

Both I.B.M.'s "357 Data Collection System" and Friden's "Collectadata" are designed to accumulate up-to-the-minute records of key factory jobs as they progress from raw material to finished product. The systems provide a network of reporting stations throughout the plant through which workers feed information to a central control center.

Fed by Punched Cards

The information is fed into the remote units in the form of punched cards (plus certain data which can be manually recorded). The central unit punches a summary tape or card which is then processed on conventional data machines to obtain the desired reports.

I.B.M. and Friden expect to get business from companies who:

- Need an up-to-the-minute account of the location of every factory order as it progresses through the plant.
- Must know the actual work load at all times in order to relieve any shortages, overloaded areas, and delays in production.
- Must accumulate actual costs from many locations for speedy and accurate billing.
- Would like to control work-in-process inventory more closely to prevent material waste when engineering changes occur.
- Want to eliminate hand written records by employees.
- Require fast transmission of both constant and variable data for computation, printing, and disbursement to key personnel.
- Find out what machines are temporarily down.

Both systems are modular and may be approached in building block stages—starting with a few transmitting stations and expanding the system as demand warrants.

In the I.B.M. system, the worker makes reports to the central station by slipping standard 80-column punched cards into his assigned input station. When the "ready" light shows that the station is available for use, the employee inserts one pre-punched card containing identifying information on himself (employee number, job classification, pay rate, etc.) and a second card—which travels with the part or assembly—identifying the mate-

rial on which he performs a work step or operation.

The input device, the size of a wall clock, reads the cards at the rate of 18-20 characters a second. These punched cards may contain numbers, letters, instructions, etc. If variable as well as pre-punched data are needed, the input can be fitted with a small keyboard.

Cards Activate Punch

The input cards activate a card punch in a centrally located data collection office, which in turn automatically makes transaction cards that are run through regular data processing equipment. The 357 system can transmit over multi-wire dc cable or via telephone lines and switching facilities. Input stations can be located as far as a cable mile from the central station. Up to 20 inputs can feed into each output station, depending on input volume.

An optional clock can be attached to automatically insert the time of the transmission into the punched card reports.

Can Be Purchased or Rented

I.B.M. 357 systems can be purchased outright or rented on a monthly basis. Purchase prices are: Input \$1,085, input with keyboard \$2,355; output station \$1,750-\$1,950 (non-printing), output station that prints information on card \$3,000-\$3,200; input control (needed if more than one input is used) \$2,915. A typical 10 input system would rent for about \$600 a month.

The Friden system works much the same as I.B.M.'s. An input document (may be either tape, edge card or tab card) may be coded with order number, part number, etc. This form travels with the production order through each step in the manufacturing process. As work is started or completed, the coded input is inserted in a Collectadata transmitter where it is automatically read and sent to a central data collecting center.

One Transmission

Data punched on two different cards may be read on one transmission without relinquishing the line by using a special stop code at the end of the first card and a start signal at the beginning of the second. Numeric information may be added to the transmission by means of manually controlled dials, each adjustable to one of 12 positions.

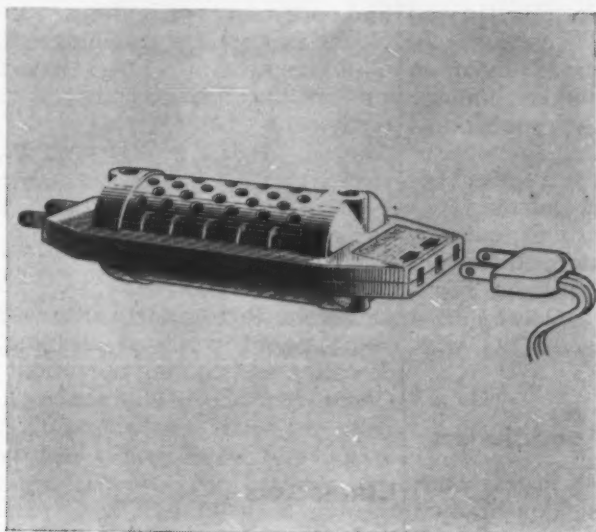
The receiver reproduces the data on a continuous paper tape that is used to prepare the needed reports on standard data processing equipment. A time code emitter can be attached to the receiver to record the transmission time.

Both transmitter and receiver work on standard 110 v. power.

Transmitters will sell for \$1,375 (edge-punched card) and \$1,800 (punched tab cards). Collector will cost \$375, and time emitter \$1,050.

Your Guide to New Products . . .

(Continued from page 19)



Temperature Control For Soldering Guns

Device reduces the tip temperature of soldering guns to assure correct temperature when soldering printed circuits and laminated wiring boards. The iron is plugged into the unit which plugs into the outlet. Temperature of 500 or 600 F. can be held.

Price: \$2.95. Delivery: immediate.

Electric Soldering Iron Co., Inc., Deep River, Conn. (P.W., 10/5/59)



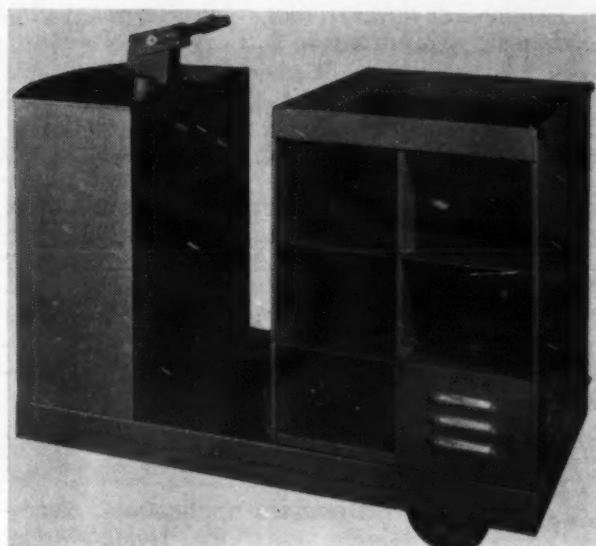
Staple Gun

Uses Compressed Air

Air operated staple gun drives long, heavy staples into hard materials at air pressures as low as 50 lb. It takes staples 1, 1 1/4, 1 1/2-in. long and 7/8-in. wide. The gun has front-end loading and is equipped with a safety trip.

Price: Approx. \$150. Delivery: 2 wk.

Fastener Corp., 3702 River Rd., Franklin Park, Ill. (P.W., 10/5/59)



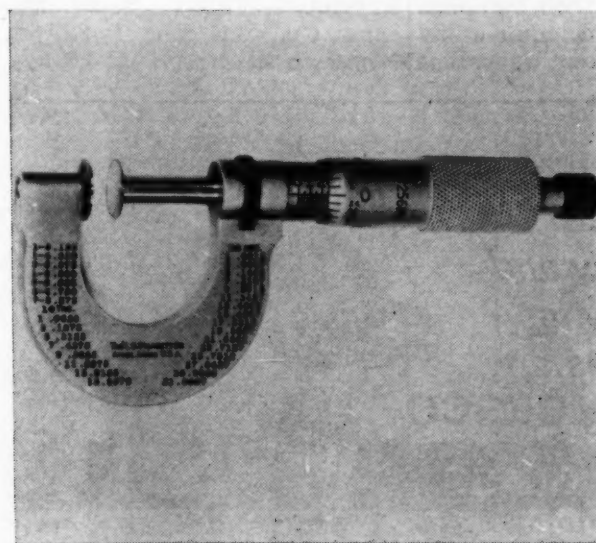
Truck

Makes Inter-Office Deliveries

Inter-office delivery truck can be fitted with special compartments and shelves to meet a variety of plant requirements. It is a 3-wheel, battery powered unit with front wheel drive and only 30 in. wide. Works 8 hr. without recharging.

Price: From \$995. Delivery: 30 days.

Beall Mfg. Co., 1610 44th St. S. E., Grand Rapids, Mich. (P.W., 10/5/59)



Disc Micrometer

Needs Little Space

Disc-type micrometer can be used where clearances are as limited as .015 in. Thin, tapered anvil and spindle discs fit into narrow grooves, slots, or recesses. Available in 0 to 1-in. size with gradations in thousandths of an inch.

Price: \$37. Delivery: immediate.

L. S. Starrett Co., Athol, Mass. (P.W., 10/5/59)



Boiler Compounds

Remove Rust, Seal Leaks

Two compounds recondition heating systems, one removes rust and sludge, the other seals leaks. Cleaner coats boiler walls as it cleans while sealing compound finds its way to existing leaks, stopping them immediately.

Price: \$1.10 (liquid sealer; liquid, powdered cleaner). \$1.20 (powdered sealer). Delivery: immediate.

J. A. Sexauer Mfg. Co., 2503-05 Third Ave., N. Y., N. Y. (P.W., 10/5/59)

Need REPLACEMENT V-BELTS?



Improved Gates Vulco Rope gives you 2 important advantages

1. 40% higher hp rating at no increase in price: This important cost-saving advance is the result of Specialized Research in the world's largest belt-testing laboratories at Gates. As replacements on standard drives these V-belts with 40% more load-carrying ability give longer service life...reduce down-time, cut belt replacement costs.

2. Concave Sides (U. S. Pat. 1813698):

The sides of Gates Belts are concave (Fig. 1). When the belt is bent around the sheave, the concave sides fill out—become straight—for full, uniform contact with the sides of the sheave groove (Fig. 2). Uniform contact insures maximum pulling power...even distribution of wear...longer life.



Available in all sizes from your nearby Gates V-Belt Distributor listed in the Yellow Pages of your phone book.

When designing new drives use Gates new Super HC V-Belts and Sheaves. See opposite page.

The Gates Rubber Co., Denver, Colorado
Gates Rubber of Canada Ltd., Brantford, Ont.

World's Largest Maker of V-Belts



TPA 432

Gates Hi-Power V-Belts

VULCO ROPE

Profitable Reading for Purchasing Agents

New Books

Industrial Administration. By Stanley Vance. Published by McGraw-Hill Publishing Co. Inc., 330 W 42 St., New York 36, N. Y. 570 pages. Price: \$7.00

This new book by Dean Vance of Kent State University is devoted to the modern manager—the decision maker who possesses a well-rounded business and educational background. It takes the reader step by step through the new concepts of administration that concern every up-to-date department head.

The purchasing agent will find the chapters on cost and quality control of particular value. For here the purchasing department plays a key part in the development of these overall organizational concepts.

The authors stress the standardization concept and give details on how it can be applied to the working situation. But the methods used often require a good deal of mathematical knowledge on the part of the user.

On other topics, such as organizational structure, decision making, and capital equipment utilization, the approach is less technical. But a good mathematics background is still required for just about all sections of the comprehensive book.

The Growth of Industrial Economies. By W. G. Hoffman. Published by Oceana Publications, Inc., 80 Fourth Ave., New York 3, N. Y. 183 pages. Price: \$6.00.

A P.A.'s part-time reading should help give him insight into the broad fields of business activity and industrial development. And this somewhat academic study provides an interesting introduction to the development of

the modern corporation and our capitalistic society in general.

Working from the basic changing historical pattern of economic development, the author carries the reader through the industrial revolution and on to the development of consumer and capital goods industries as we know them today. Textiles, chemicals, and metals fabrication are three of the industries whose development are specifically outlined.

From the Associations

Screw Machine Parts

The 1959-60 edition of the Buying Directory of the National Screw Machine Products Association is designed to assist buyers in locating sources of supply for their screw machine product requirements. More than 270 companies in 25 states are listed both alphabetically and geographically. The listing covers primary equipment (including the types of machines available) secondary operations available, information on the field or product in which the company has concentrated its manufacturing operations, and any end products made by the company. Can be obtained by writing *National Screw Machine Products Association, NSMPA Bldg., 2860 E. 130 St., Cleveland, Ohio.*

From the Manufacturers

Automation Lubrication

Catalog 50. Describes Multi-Luber line of automatic power

lubrication systems for trucks, trailers, material handling equipment, farm implements, and industrial machinery. Includes specifications for air, vacuum, and manually-operated Multi-Luber systems. *Lincoln Engineering Co., 4010 Goodfellow Blvd., St. Louis 20, Mo.*

Welded Steel Pulleys

Bulletin 2540. Describes new belt conveyor pulley that is concentric to .030 in. and is said to be free from crown welds. Pulley is formed in a die by hydraulic pressures for accurate control of crown contour and pulley diameter. Gives detailed engineering and selection data. *Link-Belt Co., Dept. PR, Prudential Plaza, Chicago 1, Ill.*

"Pic-A-Pump"

(576 pages) Arranges engineering data for convenient selection of pumping units and construction materials to meet specific applications. Gives price lists, different models, and different capacities for head conditions. Request on company letterhead. *Allis-Chalmers Mfg. Co., Box 512, Milwaukee 1, Wis.*

Fluid Processes

Bulletin 980. (16 pages) Explains the science of fluid processes—plus specialized materials for more economic processing of the liquids and gases used by industry. Areas covered include corrosion engineering, water treatment, ion exchange, centrifuging, gas analysis, etc. *Pfandler Division, Pfandler Permutit, Inc., 1094 W. Ave., Rochester, N. Y.*

Metering Pumps

Catalog covers Maisch stainless steel metering pumps. Contains details on pump selection and application. Pumps are used in biological, industrial, and sanitary applications because of their non-pulsating low. *Ross Llewel-*

lyn, Inc., 228 N. LaSalle St., Chicago 1, Ill.

Ethylene Carbonate

(16 pages) Gives reaction and use information. Reactions included are hydroxyethylation, carbamate and imidazolidinone formation, and the production of vinylene carbonate. Some uses discussed are used as a solvent for synthetic polymers and the separation of hydrocarbons; plastics and chemical intermediates; a lubricating oil additive; etc. *Technical Service and Development Dept. Dow Chemical Co., Midland, Mich.*

Packaged Air Conditioners

Bulletin 8525. (8 pages) Describes design and construction features of the American-Standard line of packaged air conditioners. Capacities and physical data in tabular form cover both air-cooled and water-cooled designs. *American-Standard Industrial Division, Detroit 32, Mich.*

Electric Hoists

Catalog H-59. (34 pages) Selection guide for heavy duty electric hoists ranging from ¼- to 12-ton capacity. Covers capacity of hoist, speed and height of lift, dimensions of beam, type of hoist suspension, current supply and operating conditions, etc. *American Engineering Co., Wheatstheaf Lane and Seppiva St., Philadelphia 37, Pa.*

Handling Containers

(6 pages) Tells how Kennett receptacles improve material handling efficiency and reduce product damage in leading industries. Pictures their complete line of containers including utility trays, nesting-stacking trays, bin-

front trays, mill boxes, drop-sided trucks, etc. *National Vulcanized Fibre Co., 1059 Beech St., Wilmington 99, Del.*

Liquid Spray Buffing

Bulletin LIQ-600. (16 pages) Manual on automatic liquid spray buffing contains data on set-up and operating procedures. Includes material on recommended abrasive grades, drawings of typical layouts, and recommended equipment. *Lea Mfg. Co., 16 Cherry Ave., Waterbury 20, Conn.*

Water Knives

Bulletin 5983. (12 pages) Describes Rex water knives for any type of washing, cleaning, descaling and cooling operations. *Chain Belt Co., Milwaukee 1, Wis.*

Connectors

Aids engineers and buyers in the selection of Cannon ms E/R connectors. Contains list of availability by insert arrangement and number of connector. *Schweber Electronics, 60 Herricks Rd., Mineola, L. I., N. Y.*

Panel Meters

Describes panel meters and pyrometers in numerous sensitivities and sizes for monitoring any electrically measurable variable. Gives prices, mounting directions and ordering information. Also covers thermocouples and shunts. Bulletin 107. *Assembly Products, Inc., Chesterland, Ohio.*

Grinding Machine

Discusses applications, accessories, etc., for Heald Model 273A universal grinding machine. Grinder will grind straight or taper bores, outside diameters, flat, convex, or concave surfaces. Bulletin 2-273A-1. *Heald Machine Co., 11 New Bond St., Worcester 6, Mass.*



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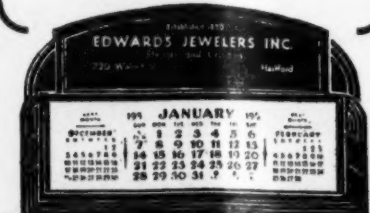
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This Changing Purchasing Profession...

B. W. Bogan has been elected vice president, purchasing and supplier relations, by Chrysler Corp., Detroit. Emlyn Lloyd will continue as director of purchasing administration, reporting to him. Bogan had been executive assistant to the firm's executive vice president.



B. W. BOGAN

STEPHEN PAREY

Stephen Parey has been appointed purchasing agent, office equipment and supplies, United States Steel Corp., Pittsburgh. He succeeds Robert Muirhead who retired recently after more than 49 years' service with the firm.

Edward H. McVeigh has been appointed purchasing agent for the Connecticut Aircraft Nuclear Engine Laboratory, Middletown, Conn. The C.A.N.E.L. facility is operated by Pratt & Whitney Aircraft Division of United Aircraft Corp. McVeigh served as chief buyer of Pratt & Whitney Aircraft's purchasing department the last five years.



E. H. McVEIGH

WARREN COX

Warren Cox has joined Epsco-West, Anaheim, Calif., as purchasing agent. He had been assistant purchasing agent for the Beckman Systems division, Anaheim.

Henry H. Finch, purchasing agent for the Sperry (West Coast) Operations of General Mills at San Francisco, will join the company's purchasing department in Minneapolis as assistant to the director

of purchases on Jan. 1, 1960. Waldo L. Nelson of General Mills, Minneapolis, will replace Finch in the San Francisco post.

Jewett F. Neiley, Sr., has been advanced to vice president in charge of purchasing, Endicott Johnson Corp., Binghamton, N. Y. He formerly directed the company's hide buying operations.

Raymond F. Holland, formerly director of purchases for Buffalo Bolt Co., Buffalo, N. Y., has been appointed general manager of Seaway Steel Corp., Buffalo, a new firm which will conduct a rolling mill operation.

Lawrence G. Monin has been named purchasing agent for the City of Niagara Falls, N. Y. Formerly assistant purchasing agent, he succeeds the late Wilfred C. Stephens.

Harry J. Green has joined Stambaugh Supply Co., Youngstown, Ohio, as operation manager. A member of the N.A.P.A. and the Purchasing Agents Association of Chicago, he had five years previous experience in charge of purchasing and operations, Boyd-Wagner Co., Chicago.

Obituaries

George Harper Young, 81, former purchasing agent for the City of Binghamton, N. Y., died Sept. 14. He was a past president of the New York State Governmental Purchasing Agents Association.

Ralph A. Hughes, 66, purchasing agent for Ebasco Services, Inc., Dallas, died Sept. 19. He had been purchasing agent for Dallas County from 1932 until 1944 when he joined Ebasco.

Ann Arbor Purchasing Agents Warned About Sales Contracts

Ann Arbor, Mich.—Prof. G. O. Dykstra, of the University of Michigan School of Business Administration, warned P.A.'s to read the "fine print on the contract of a offer to buy and the contract of an offer to sell."

Speaking before the Ann Arbor Purchasing Agents Association, Professor Dykstra discussed the legal aspects of purchasing and explain differences between the Uniform Sales Act, accepted by 30 states, and a proposed Uniform Commercial Code, now being prepared by various bar associations.

The Uniform Commercial Code, he said, already has been adopted by three states and efforts are continuing for approval by the remaining 47 state legislatures.

Sales Are Not the Whole Answer

An article in a national business periodical this month claims that \$21 of sales are needed by manufacturing companies to make a \$1 profit. They say this compares with a \$19 figure in 1957. (Both durable goods manufacturers and non-durable show a \$21 figure for 1959).

Tip to managements... A smart P.A. who saves \$1 on material costs contributes 100% of savings to profits. He did in 1957 and he will in 1959—or any other year.

The Word Gets Around

"The advance in competence in purchasing organization has resulted in an increasingly important role for the purchasing departments in buying decisions."

—Statement made by A. J. Tacy, Consultant in Industrial Marketing Research, General Electric Co., in an address before the N. Y. Chapter of the American Marketing Association on June 26, 1959.

"The language of today's sales call is changing because of two developments that have considerably changed the purchasing agent's status. First, what has been termed a 'technical invasion' of the purchasing department has taken place. Second, the purchasing agent is becoming more a part of management. His new stature puts the sales conversation on a management level." These words are from John L. Gillis, marketing vice president for Monsanto Chemical Co., in an article in Sales Management Magazine, May 1, 1959.

Uncle Sam Wants to Help

The General Services Administration is preparing to give small companies a break on sales of surplus property by breaking up items to be sold into smaller lots. This will make it easier for small bidders to buy. To find out more, write for "Guide Information for Surplus Buyers," G.S.A. Sales Division, Washington 25, D. C.

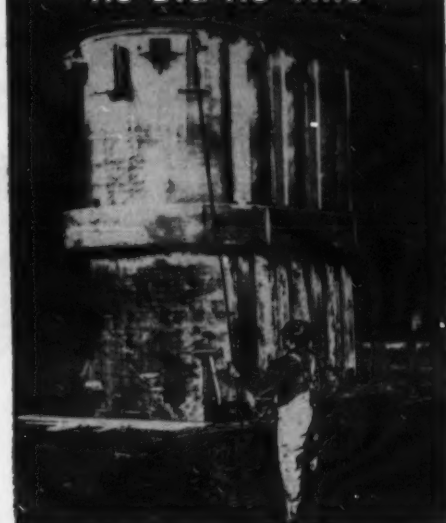
This government policy and booklet does not mean that small companies will

receive priorities. Sales will still be made to highest bidders.

The Machinery Dealers National Association says that most surplus items are sold by the military. Prospective buyers should request placement of their names on the mailing lists of all the military installations within their nearby areas. They will then be informed of forthcoming sales.

All disposing sites for surplus are listed in the guide. In most agencies, property disposal officers are the men to contact.

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ALCOA can do the same type of job for you. The services of the Alcoa Jobbing Division are available for standard production runs or unusual "tailor-made" products such as G.E.'s transformer tank. When you take advantage of Alcoa's fabricating facilities, you save tooling-up costs and investment in additional equipment.

WRITE FOR FREE BOOKLET that tells you how Alcoa's Jobbing Division can serve you as a fabricator or subcontractor. It contains 16 pages of information on Alcoa's ability to take expensive and difficult jobs off your hands and save you money all around. For your copy, write or clip the coupon and mail today.

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McGraw-Hill Indexes

	Latest Month	Month Ago	Year Ago
Basic Chemicals Price Index	110.9	110.8	110.5
Chemical Week			
1947 = 100			
Construction Cost Index	812.6	811.9	773.5
Engineering News-Record			
1913 = 100			
Electrical Materials Cost Index	112.5	112.2	111.1
Electrical Construction & Maintenance			
November 1951 = 100			
Metalworking Products Price Index	159.0	158.8	155.8
American Machinist			
1947 = 100			
Non-ferrous Metals Price Index	119.0	118.9	107.5
Engineering & Mining Journal			
1947-49 = 100			
Petroleum Refinery Products Price			
Averages Index	89.3	88.7	92.4
National Petroleum News			
January 1957 = 100			
Plant Maintenance Cost Index	176.5	176.0	169.9
Factory			
1947 = 100			

Olin Mathieson Plans \$12-Million Expansion

Firm's Packaging Division's Line Will Be Broadened
As Part of a Five-Year Plan for Over-all Growth

West Monroe, La. — Olin Mathieson Chemical Corp. has announced plans for a two-year, \$12-million expansion of its packaging division.

The program, part of a five-year plan for over-all company growth, calls for a broadened line of packaging products, increased production efficiency, and improved product servicing for Mathieson's customers.

The expansion will include installation of a semi-chemical pulping system, a new wood-handling system, a bark-burning boiler, and more efficient package-converting equipment. In addition, two Fourdrinier machines will be re-built, and lumber operations at Winfield and

Shreveport, La., will be improved.

This latest move comes on the heels of last month's announcement that Olin Mathieson was embarking on a \$30-million expansion of its chemicals division. Both projects, say company officials, will be financed with cash from normal operations.

In the past two years, Olin Mathieson has opened three new

corrugated plants in Cincinnati, Kansas City, and Joliet, Ill., as well as a new carton plant here in West Monroe. Two other container sheet plants are nearing completion in Owosso, Mich., and Dallas, Texas.

All this company activity, says Olin Mathieson, is designed to keep pace with the ever-expanding, \$15-billion-a-year packaging industry, which, over the first six months of this year, has seen paper and paper-board production top 1958 figures by better than 13%.

Okonite Revamps Wire, Cable Products System Of Marketing to Gain Better Customer Service

Passaic, N. J.—In a move toward more efficient customer service, the Okonite Co. is revamping its system of marketing wire and cable products manufactured by its Kennecott Wire & Cable Co. Division in Phillipsdale, R. I.

Sales of Kennecott products had hitherto been handled by Chase Brass & Copper Co., Waterbury, Conn., manufacturers of brass-wire mill products.

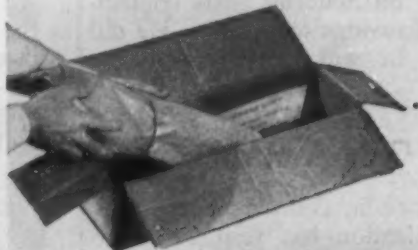
With the new marketing plan, which goes into effect Nov. 1, a

single Okonite sales force now will represent both Okonite and Kennecott.

Chase, however, will continue supplying Kennecott bare copper wire to a limited group of customers, including makers of nails, cold-headed products, roofing products, strainers, and certain types of fasteners.

In addition, Chase will make and sell a complete line of flat the electrical industry it was re-and tubular bus conductor for ported.

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Drop us a line asking for detailed information on our extensive line of poly-coated papers. It could mean important savings for your company. Look to Ludlow for greater protection, lower costs and faster packaging. We'll consider it a privilege to serve you.



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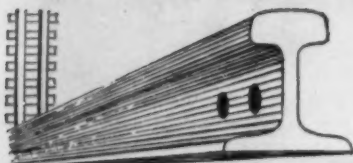
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Post Office Box 12 New York 36, N. Y.

Purchasing Perspective

Tax Laws
Are the Vogue

(Continued from page 1)

Where do the goods originate? Where are they to be warehoused? What is the end product? What about shipment and timing?

All these and many other questions must be answered in the purchasing department with the tax collector in mind.

A Midwestern tax expert, speaking before a purchasing group in St. Louis recently, made this point:

Any purchasing department that proceeds into transactions without clear knowledge of the probable tax costs of such transactions and without an effort to control them efficiently will find itself seriously handicapping not only itself but its entire corporation or enterprise.

He singled out the sales or sales-use tax to emphasize the point along with these statistics:

- In fiscal 1959, sales taxes accounted for almost 1/4 of total state tax receipts, and 29 states found sales or sales-use taxes their best source of revenue.

- Sales and use taxes are a major business and corporate cost, already representing outlays of hundreds of thousands of dollars annually to many firms and rising every year.

- Thirty-four states already collect sales and use taxes, and chances are the remaining 16 will enact them eventually.

- States collected total taxes of nearly \$16 billion in fiscal 1959, up nearly \$1 billion from 1958. Various local taxes just about equal that amount, making a total state and local tax burden of \$31.5 billion.

Additional timely tax tips for purchasing men from tax manager H. L. Hibbs, of Falstaff Brewing in St. Louis:

- Compile a tax manual, not only for your own state but for as many other states as possible where you do business.

- Consider carefully the alleged tax advantages of leasing vs. purchasing of machinery and equipment. There are many tax dangers in machinery and equipment leasing, the big one being that the Internal Revenue Service, on the basis of purchase options, may later allege the lease to be an outright sale immediately at the time the buyer-lessee receives the goods.

- Check the tax totals involved in the purchase of new equipment, such as automobiles, where the transaction involves the sale or trade-in of the old models. According to Hibbs, tax advantages make it always best to sell the old car outright and buy the new outright in a separate transaction, avoiding a trade-in proposition.

Industry to Play Safe on Inventories

(Continued from page 1)
they could last until mid-November before cutbacks become severe. The remainder—52%—claimed to be sitting back comfortably, confident their own supplies will last or that supplier promises will carry them through to December, and in some instances, far into 1960.

- On an over-all basis, 59% said prolonging the steel strike would have little or no effect on general fall and winter buying plans. Most of the remaining 41% anticipated a general let-down, ranging from slight to "complete shutdown."

- Asked "specifically what are your over-all buying plans for the next three to six months (assuming steel resumes production by mid-October)," 70% declared they would maintain a "steady pace," but nearly 23% expected to "increase" while 18% forecast a decrease in buying operations.

- In comparing general inventory levels (other than steel) with year ago supplies, the picture shaped up this way:

Fifty-one per cent said present inventories are higher, 21% lower, and 26% unchanged.

Comparing present inventories

with levels as of last July 1, the replies ran:

29% higher, 21% lower, and 50% steady.

Looking ahead, to Jan. 1, 1960, 28% of the P. A.'s said their inventories would be higher, 56% "same," and 16% lower.

Asked about tight money, about 10% of the purchasing executives queried stated their inventory planning had been affected in varying degrees by rising interest rates and other aspects of the nationwide credit squeeze.

Comments on the money situation ranged from "delayed some purchases for the time being" to "not buying except on emergency basis for new sales."

One Ohio producer of titanium and zirconium mill products said the interest-credit situation had forced him to "look for used or leased rather than purchased equipment." Another fabricator of various kinds of metal products said his company has "leased more than ever before in our history."

A number of P. A.'s indicated their companies had postponed capital expenditures until later this year or 1960.

Most, however, dismissed the credit situation as without much effect as yet on their current or immediate future operations.

N.S.I.A. Teaches Governmental Contracting

(Continued from page 1)

be offered in a score of principal cities starting early in 1960.

N.S.I.A. officials said the courses would be especially effective for industrial purchasing executives involved in the complicated subcontracting phases of government procurement.

Applications are coming in fast despite the fact only tentative dates starting late next February have been set, N.S.I.A. staff officials said. The Association's Procurement Advisory Committee gave first details on the program at a day-long session in New York about a week ago.

The courses will be conducted by three-man teams of procurement experts from Harbridge House, the management consultant and training organization which has gained a wide reputation in establishing similar procurement training courses for the Army, Navy, and numerous other industry associations and corporations. Classes will be limited to 25 persons with 20% to 25% of the spaces available reserved

for representatives of "small business" firms. Local authorities on government contracting problems at N.S.I.A.-member firms also will assist as needed in the program instruction.

Ben Edelman, a government contracting expert for Western Electric and chairman of the N.S.I.A.'s educational subcommittee, described the program as the first effort to establish a government contracting education program on a "continuous basis."

N.S.I.A. has set up a National Defense Education Institute, in cooperation with Harbridge House, to keep the program operating permanently and under constant revision.

(Procurement Associates, of Pasadena, Calif., also is active in the government contracting area of industrial education. It recently conducted one week courses in Philadelphia and New York, following a series of six week-long seminars in the Los Angeles, and San Francisco areas.)

"We've been working to solve

this problem for years," Edelman told PURCHASING WEEK, "and this is an effort to fill an important gap in the area of government contracting."

"The skills of industrial people in this field must be perfected," Edelman said, "to make the nation's defense program more economical, more efficient, and faster moving in the complicated task of procurement."

Edelman emphasized the differences between dealing with the government and straight industrial procurement. "Government procurement involves many difficulties, some of its procedures are awkward, many times costly," he said. "Our course aims to introduce an awareness of these difficulties and problems and facilitate their solution."

Specialty Courses to Come

Edelman stressed the stake of industrial purchasing executives in the government contracting area. He said that once its educational program gets rolling, N.S.I.A. hopes to establish various specialty courses to be treated in an additional week's training following the basic two-week course.

Edelman, assistant manager of government-industry relations at Western Electric, voiced concern over what N.S.I.A. officials have noted as a sore lack of coordination between purchasing and other management departments on government contracts, especially in subcontracting operations.

As a result, the prime contractor often imposes hardships on subs by needlessly passing on many unnecessary "fine print" requirements merely because they were imposed in the basic agreement, Edelman said.

Purchasing agents therefore have a key role in the ultimate solution of this problem and by adequately dealing with it can help improve the speed and quality of military procurement operations, he added.

Topics Covered

The N.S.I.A. courses will cover these major topic areas: general philosophy of government agency regulations and procurement laws; product and sales planning; procurement methods; negotiation of major contract terms; government assistance in financing, facilities, material, technical aid; patents and proprietary rights; product service; contract administration; and renegotiation and other basic contract terms.

The association has priced its course at \$500 per participant for non-N.S.I.A. members (\$400 for N.S.I.A. members).

The first session is expected to open in Boston and has been set tentatively for Feb. 29-March 11. But all dates will be fixed on the basis of application preferences and will be announced later. After Boston, the course will be conducted in New York, Philadelphia, Baltimore, Washington, Dallas, Dayton, Pittsburgh, Detroit, Chicago, Phoenix, Los Angeles, San Francisco, Seattle, and other cities as desired.

Inquiries regarding the program should be directed to the National Security Industrial Association at 1107 19th St. N. W., Washington, D. C.

Washington's Inflation Fighters Seen Shifting Policy as Prices Stabilize

(Continued from page 1)

related to the parallel subjects of inflation and growth:

- Vice President Nixon's Cabinet Committee on Inflation and Growth puts new emphasis on growth. The committee has only been in the warmup stages for six months. Now that Congress is out of session, it hopes to get down to brass tacks.

This month, the committee expects to make the first of its long-awaited recommendations on how to combat inflation. The recommendations may be made personally to president Eisenhower and thus not come out in a formal public announcement. But officials feel that their views will show up in influencing the budget and economic messages Eisenhower presents to Congress next year.

The full committee met last week to draw up plans. Among the ideas under consideration is a full-scale study of tax reform with an eye to closing loopholes and funneling savings to other industries to foster their growth.

Another idea being weighed is a broad look, the first in some time, at the impact of government regulatory agencies. Members apparently have been looking into the sort of charges raised by Louis J. Hectel, in resigning his post from the Civil Aeronautics Board. Hectel quit in a huff contending that the federal regulatory framework is outmoded and impeding business development.

- Treasury Secretary Anderson, a member of the committee, gave a clue to its direction in a recent Philadelphia speech that received only scant attention. Anderson ruled out any broad scale federal action to speed business expansion.

He says that government should not "intervene in the markets" to "force" growth but provide instead an atmosphere "conducive to growth." Anderson gave top priority to holding down inflation over efforts to aid growth. Anderson contends that

the first prerequisite to a "high rate of sustainable growth" is to maintain the soundness of the dollar.

- The Joint Economic Committee, which has been the major vehicle in Congress this year for investigating the whole inflation and growth problem, last week concluded what it had thought would be a showdown set of hearings. The main purpose was try to assess the role of administered prices and administered wages as causes of inflation.

But an Indiana University economist, Charles L. Schultze, stole the show with a new "bottleneck" thesis of inflation. Schultze's contention, and it drew widespread support from other experts, was that the investment boom of 1955-57 touched off a chain reaction of higher prices and wages in the rest of the economy. Administered prices and wages, he figures, were not the main factor.

The committee has slated one more set of hearings for late this month to seek specific policy recommendations on growth without inflation. The committee then will finish up with a report to Congress next January.

- The Federal Reserve Board plans to continue its present money policies for the foreseeable future, neither further tightening of money nor loosening it except to meet seasonal demands. A high-wage steel settlement could throw some monkey wrenches into this view however.

But Federal Reserve officials make it perfectly clear they will not underwrite inflation if it stems from the settlement. They say they may have to loosen up a little on the money supply to cover part of the settlement and any price rises it may provoke elsewhere in the economy.

But unlike previous inflationary experiences in the postwar period, board people say they will not go all the way this time, keeping money tight to try to dampen the effects.

Utility Buyers Air Their Gripes But Offer No Identical Bid Cures

(Continued from page 1)
Power Board of Chattanooga, who suggested:

"Let the light of day shine on this practice, and see what can be done about it."

This merely went along, however, with the subcommittee's announced intentions which were, according to Kefauver, to "seek to understand the extent of the lack of competition in government purchases and whether our antitrust laws are adequate to deal with the problem."

More . . . Later

After three days of gathering diverse opinions on whether collusion or conspiracy might be involved among manufacturers submitting identical bids, the senator promised the hearings would be continued "at a later date."

The hearing had grown out of statements issued early this year by T.V.A. officials detailing numerous instances of identical bidding on electrical equipment, mostly heavy items.

It also sparked a grand jury probe now in session at Philadelphia. Antitrust attorneys have been hearing witnesses since Aug. 15 in a search for possible violations of the Sherman Antitrust law.

Both the grand jury and subcommittee probes, however, have turned up these simple and obvious facts:

- In all instances cited, manufacturers and jobbers merely followed list prices which had been published and freely circulated among all customers.

- Freight had been figured from the point of supply nearest to the point of delivery.

- All items on which identical or close bids had been submitted were standard, catalogue items.

Kefauver charges electrical manufacturers are "making a mockery of competitive bidding" by following a "gentleman's agreement." Yet the most he could get in the way of testified support from utility P.A.'s were such answers as "I don't know," "I would have no way of knowing," or just a bland "It does seem an unusual coincidence."

Paul Fahey, director of procurement for the Tennessee Valley Authority, furnished the subcommittee summaries of identical bidding on scores of contract offerings. These summaries carried the names of nearly every prominent manufacturer of standard electrical equipment for utility use.

Follow the Leader

The T.V.A. purchasing official testified that price changes were usually announced first by either Westinghouse or General Electric.

"We are told that increases will come in a couple of days," he said. "We never hear from the other manufacturers first. They follow. I think we have had more notices from G.E. than from Westinghouse."

Discussing foreign purchases, Fahey said T.V.A. had turned to foreign sources not because of identical bids by domestic suppliers, but mainly because prices

on such items appeared to be too high.

There was one concession, however. Purchasing Agent J. G. Sanders of the Chattanooga Electric Power Board said "there is more competition on such items as pole line hardware and conductor than on the heavier items."

Chief Counsel Dixon hinted at the possibility of some kind of amendment to the antitrust law resulting from the double probe.

He and Kefauver both argued that the examples of identical bidding submitted at the hearing have the same effect as actual collusion or conspiracy.

Kefauver's Committee Probes Drug Industry On Administered Prices

Washington—Sen. Estes Kefauver's antitrust subcommittee which has been probing "administered prices" in steel, autos and bread turns its attention Nov. 30 to the drug industry. The committee will try to find out whether undue concentration—and perhaps collusion—among pharmaceutical firms keeps drug prices high.

The committee considers the pharmaceutical business ripe for investigation. Profit after taxes, at 10.1% of sales, has run higher than other industries. The committee believes it may show that patent, licensing, and marketing operations function to keep competition down and prices up. One aspect of administered prices of particular concern is whether large financial houses, with holdings in several drug firms, use their influence to restrict competition among those firms. Records have been subpoenaed from 20 pharmaceutical houses and 12 banking firms.

Rheem Strike Settled

Richmond, Calif. Rheem Mfg. Co. has announced settlement of a 47-day strike by members of International Association of Machinists at the company's steel-container factory here.

Under the new agreement, which runs to May 31, 1961, workers will get an 8¢ increase effective Aug. 1, 1959, another 5¢ next Feb. 1, improved health and welfare benefits, and a new company pension plan.

(Continued from page 1)

they intend to be as fair as possible in parcelling out early production.

The spotlight turned on production and shipment problems last week when President Eisenhower gave the steel company and union negotiators an Oct. 8 deadline to come up with a settlement.

The alternative appeared to be a Taft-Hartley Act injunction, so that no matter what comes of the new round of negotiations, the industry's furnaces should be fired up for production by the end of this week or early next.

President Eisenhower's warning was coupled with his anxiety over "the mounting impact of the strike on our nation's economy and on the jobs of hundreds of thousands of Americans."

New Industry Offer

The negotiations resumed with indications the industry was prepared to make a new offer, it had offered previously a contract for improved pension and insurance benefits the first year and a "modest" wage increase in the second year of a proposed two year agreement. But it coupled with the package a demand that restrictions on individual mill work rules be removed.

The working rule issue has been the key to the entire 12-week impasse in the New York bargaining.

Steel production chiefs warned buyers will have difficulty getting full supplies for months and steelmakers probably will be applying some form of allocation or shipping controls at least through the first quarter of 1960 in the event of an early reopening of the mills.

If the strikers go back under a Taft-Hartley injunction, and then put up picketlines again later, production, of course, would be shut down just as high gear output begins.

But here's the supply outlook in the early days of production:

- It will be six to eight days before new steel comes off the lines, and 15 to 25 days to reach anything even close to pre-strike production, based on 1956 strike experience. Production rates will vary from mill to mill depending on furnace damage repairs. Mills with oxygen converters will have a jump.

- Pittsburgh Steel Co. said it probably will be forced to allo-

cate shipments for at least three months. Shipments in appreciable quantities will not move until about two weeks. First items to hit the loading platforms probably will be wire, followed closely by hot rolled sheet.

- Jones & Laughlin, expecting tight supplies well into the first quarter, expects to start shipping new steel on a commercial basis "late in the first week" of operations. A high level (but lower than pre-strike levels) will be reached in three to five weeks depending on furnace damage. Among the first products to be shipped will be hot bars and standard pipe. Last will be cold-rolled sheet, tin plate and high-finished (oil country) tubing.

- Republic Steel expects to reach 70% production within two weeks provided furnace damage is not too great. All mills will have some products to ship immediately, but as in the case of all other producers these will vary in type and quantity from mill to mill.

- Additional warehouse sup-

plies will be immediately available when pickets are removed from U. S. Steel and Jones & Laughlin service centers.

- Chicago area mills, whose customers screamed loudest and longest for stockpiles in the pre-strike period and where shortages were first felt, will be able to move fast with bars and structurals. Sheets, tin plate, and galvanized will be delayed.

- On the West Coast, Kaiser's Montebello mill will begin producing and shipping about five days with cold-rolled steel going out early. Bethlehem's California rolling mills probably will take a week to get into operation with structural steel from East Coast plants delayed up to six weeks. U. S. Steel shipments will begin immediately from floor stocks with the pace increasing gradually as products become available.

- Bethlehem Steel announced last week most of its departments will ship some finished steel the first day after strike's end but will need two weeks or more to get back to normal.

Teamster Walkout Could Tighten Already Short Copper Supplies

(Continued from page 1)

their supplies, while dropping, could outlast the deadlock. Although the strike has tied up 75% of domestic copper output since mid-August, few shortages if any have been reported and buying activity has remained relatively normal.

A spot-check of major copper users, fabricators, and warehouses failed to turn up one instance of a supply pinch. It showed, instead, that most could withstand a strike running another month or more before being seriously affected by pinched suppliers.

"In the words of a couple of metal brokers," smiled Eugene Flanagan, purchasing agent for Revere Copper & Brass, Inc., "they've never seen consumers so rational and so completely panic-free before."

"I would certainly agree with this. We haven't turned down any customer requirements up to now. And so far as I know, other mills' customers haven't been turned or at least we haven't received any new customers as a

result of the copper strike so far. "So it looks as if everything is running quite smoothly all around the industry," he said.

This was the gist of most comments garnered by PURCHASING WEEK correspondents querying copper buyers in major cities.

"We're covered on both copper that we use in bare form and copper fabricated parts for at least 60 days," said Glenn Baumhardt, purchasing director for the Redmond Co., Owosso, Mich. Baumhardt says he is more optimistic about the copper picture than the steel picture. "The industry is somewhat different," he pointed out, suggesting that a copper settlement may precede a steel agreement.

Many noted that the only potential thorn in the side is the possibility of a dock strike at Atlantic and Gulf Coast ports. "This could hurt us by cutting short the supply of imported copper," explained one Midwest purchasing official. "Still, I believe most copper inventories are at a 30-day level or more."

A check on copper users in the San Francisco area revealed a slight decline in business, but no squawks as far as supplies are concerned. All reported a satisfactory flow of copper, with some fluctuation of opinion as to how long it will take to dry up.

The purchasing agent for a major West Coast fabricator noted, however, that should the strike linger on and someone happens to step on the panic button, prices could skyrocket.

Disputed issues in the negotiations include wages, fringe benefits, wage inequities, and producer insistence that work practices it deems "wasteful" be eliminated.

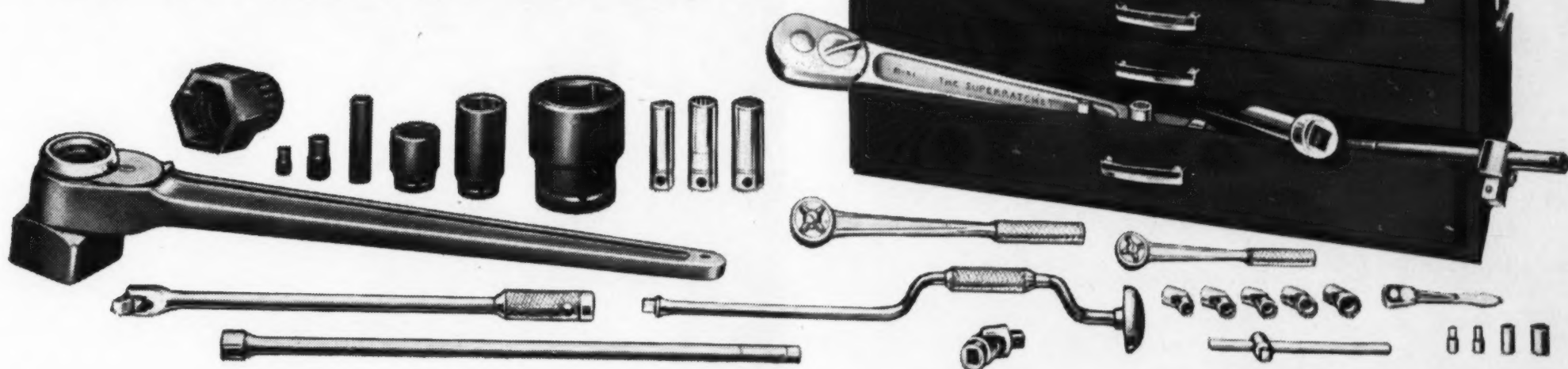
The Mine-Mill workers had sought wage increase of 15-17¢ an hour plus fringe benefits that brought the total wage package to more than 30¢ an hour.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Phosphoric acid, (Oct. 1), ton.....	\$3.00	\$92.00	
Half heels, men's, Goodrich, doz.....	.25	\$4.25	incr. costs
Cut top lifts, women's, lb.....	.05	\$1.20	incr. costs
Copper Chloride, eupric, anhyd., dms., lb.....	.0075	.4475	
Casein, ined., acid-precip., grd., arg., cts., lb.....	.0025	.20	
Leaded Oxide, 12%, crlts., lb.....	.0025	.12	
18%, crlts., lb.....	.0025	.14	
35%, crlts., lb.....	.0025	.15375	
50%, crlts., lb.....	.00375	.1675	
Vinyl Film & Sheeting Mtls., Goodyear, (Oct. 28).....	4%		incr. costs
Tin Salts, Potassium Stannate, lb.....	.005	.789	metal boosts
Sodium Stannate, lb.....	.006	.648	metal boosts
Tin Crystals, anhyd., lb.....	.006	\$1.013	metal boosts
REDUCTIONS			
Large power transformers, G.E.....	5% avge		prod. economies
Gasoline, 91 oct., Mid-cont. refs., bulk, gal.....	.0025	.1175	oversupply
Anisic Aldehyde, dms., lb.....	.15	\$1.55	
Trimethyl Orthoformate, kay-fries, tnk. trucks, lb.....	30%	.76	
1, dms., lb.....	30%	\$1.35	

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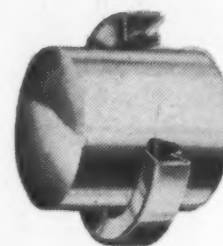
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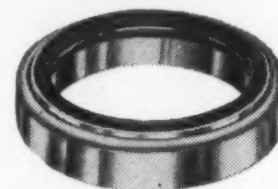
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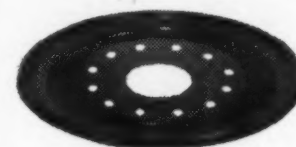
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